



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

**Citation: 2012 TMOB 142**  
**Date of Decision: 2012-08-02**

**TRANSLATION**

**IN THE MATTER OF AN OPPOSITION  
by Facton Ltd to application  
No. 1,301,837 for the trade-mark G STAR  
in the name of Fouad Kelendji doing  
business as Diplomate Watch of Canada**

[1] On May 16, 2006, Fouad Kelendji doing business as Diplomate Watch of Canada (the Applicant) filed an application to register the trade-mark G STAR (the Mark) based on use of the Mark in Canada since June 5, 2002. The statement of wares contemplated by the application currently on file, as amended on November 14, 2006, reads as follows: “Watches, watch straps, clocks, lighters, pens”.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of February 21, 2007.

[3] On April 23, 2007, Facton Ltd (the Opponent), then known as G-Star Raw Denim Kft, filed a statement of opposition. In short, the grounds of opposition pleaded pursuant to the *Trade-marks Act*, RSC 1985, c T-13 (the “Act”) are as follows:

- the application does not meet the requirements of ss. 30(b) and 30(i) of the Act;
- the Mark is not registrable under s. 12(1)(d) of the Act because it is confusing with the Opponent’s registered trade-marks identified below:

| <u>Trade-mark</u> | <u>Registration No.</u> |
|-------------------|-------------------------|
|-------------------|-------------------------|

|        |            |
|--------|------------|
| G-STAR | TMA456,620 |
|--------|------------|



|  |            |
|--|------------|
|  | TMA465,160 |
|--|------------|

- the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(1)(a) of the Act because, on all material dates, the Mark was confusing with the abovementioned registered trade-marks and with the unregistered associated trade-marks including the component G-STAR previously used and made known in Canada by the Opponent;
- the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(1)(b) of the Act because, on all material dates, the Mark was confusing with the trade-marks named below and in respect of which applications for registration had been previously filed by the Opponent:

| <u>Trade-mark</u> | <u>Application No.</u> |
|-------------------|------------------------|
|-------------------|------------------------|

|        |           |
|--------|-----------|
| G-STAR | 1,286,047 |
|--------|-----------|



|  |           |
|--|-----------|
|  | 1,286,045 |
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|  |           |
|--|-----------|
|  | 1,286,036 |
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- the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(1)(c) of the Act because, on any material date, the Mark was confusing with the trade-names G-Star International, G-Star Raw Denim Kft and G-Star previously used in Canada by the Opponent; and
- the Mark is not distinctive pursuant to s. 2 of the Act.

[4] The Applicant filed a counter statement denying all the grounds of opposition.

[5] In support of its opposition, pursuant to s. 41 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations), the Opponent filed certificates of authenticity for its registrations and trade-mark applications; an affidavit of Mathieu Gagné, Country Manager, G-Star Canada Inc, accompanied by his Exhibits A to N; and an affidavit of Kelly Brady, a trade-marks agent employed by the firm representing the Opponent, accompanied by her Exhibits A to L. Pursuant to s. 44 of the Regulations, the Opponent also filed an affidavit of Matthew Howard, Account Manager, G-Star Canada Inc, accompanied by his Exhibit A.

[6] In support of his application, pursuant to s. 42 of the Regulations, the Applicant filed his own affidavit dated October 9, 2008, accompanied by documents appended as Exhibits A to J (the original affidavit). Pursuant to s. 44 of the Regulations, the Applicant filed an amended affidavit dated February 23, 2009 (the amended affidavit), to replace his original affidavit. Pursuant to s. 44 of the Regulations, the Applicant also filed an affidavit of Georges Kelendji, an employee of the Applicant.

[7] No cross-examinations were conducted.

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

[9] At the beginning of the oral hearing, the parties agreed that the evidence filed by the Applicant himself should be considered in relation to the statements contained in his amended affidavit in combination with the document appended to his original affidavit. Consequently, any reference in my decision to a statement of the Applicant in his affidavit will be a reference to a statement made in his amended affidavit and any reference to a document appended to his affidavit will be a reference to a document appended to his original affidavit.

[10] Also at the start of the hearing, I noted that the documents that Georges Kelendji claimed to be appended to his affidavit were not so [paragraph 6 of the affidavit]. While acknowledging that the documents in question were not attached to the affidavit, the Applicant's agent noted that copies had been sent to the Opponent with a letter dated May 9, 2011, and that copies of this letter and the documents had been faxed to the Registrar on the same day. This led to a discussion during which the Applicant's agent argued that the documents that were to support the affidavit of Georges Kelendji had to be considered by the Registrar and the Opponent's agent

argued the opposite. Ultimately, I conclude that the documents as received by the Registrar on May 9, 2011, cannot be considered to be part of the Applicant's evidence since they were not filed in accordance with s. 42 of the Regulations. The documents should have been adduced by way of another affidavit of Georges Kelendji, probably a supplementary affidavit, on leave of the Registrar, in accordance with s. 44 of the Regulations.

### Onus

[11] The onus is on the Applicant to show that his application meets the requirements of the Act. However, it is up to the Opponent to ensure that each of its grounds of opposition is duly argued and to meet its initial evidentiary burden by establishing the facts used to support its grounds of opposition. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that none of these grounds of opposition prevents the registration of the Mark [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

### Material Dates

[12] The material dates for assessing the circumstances of each of the grounds of opposition in this case are the following:

- s. 38(2)(a) / s. 30: the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)];
- s. 38(2)(b) / s. 12(1)(d): the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)];
- s. 38(2)(c) / s. 16(1)(a) to (c): the date of first use alleged in the application; and
- s. 38(2)(d) / lack of distinctiveness: the filing date of the statement of opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)].

### Analysis of the Grounds of Opposition

[13] I will analyze the grounds of opposition while reviewing the evidence filed in the record. In reviewing the evidence, I will give no weight to the personal opinions of affiants regarding the questions of fact and law which are for the Registrar to decide on the basis of the evidence filed in the record. I will interpret any ambiguities in an affidavit against the party who adduced it [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)]. Before analysing the grounds of opposition, I shall make some preliminary comments.

#### Preliminary Comments

[14] The documents appended as Exhibits A to J to the Applicant's affidavit were not certified as prescribed by the *Federal Courts Rules*, SOR/98-106, which are generally followed in opposition proceedings. Un-notarized exhibits such as those appended to the Applicant's affidavit would probably be found inadmissible by the Federal Court [see, for example, *Re Andres Wines Ltd and E & J Gallo Winery* (1975), 25 CPR (2d) 126 (FCA), at pages 135–136]. However, the Registrar does not strictly adhere to the rules of practice of the Federal Court, and where no objection is raised to un-notarized exhibits when the affidavit is originally filed and served, the Registrar will not allow the opposite party to subsequently take advantage of such a technical objection [see *Maximilian Fur Co v Maximillian for Men's Apparel* (1983), 82 CPR (2d) 146 (TMOB); *Beiersdorf AG v Future International Diversified Inc* (2002), 23 CPR (4th) 555 (TMOB); *Lipton Inc v Les Aliments Intergro Inc* (1989), 26 CPR (3d) 278 (TMOB)]. In the present proceeding, the Opponent never raised the fact that the documents appended to the Applicant's affidavit had not been certified by the Commissioner. In light of the above, I find that the documents appended to the Applicant's affidavit are admissible as exhibits.

[15] I consider that any relevant evidence of use adduced by the Applicant and establishing that there is a hyphen between the letter G and the word STAR is evidence of use of the Mark [see *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB); and *Registrar of Trade-marks v Compagnie Internationale pour l'Informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)].

[16] The Applicant states that the Mark is [TRANSLATION] “a natural extension of GEO-STAR”, which is based on his son’s name [paragraphs 20 and 21 of the affidavit]. Moreover, in his affidavit, the Applicant describes use of the mark GEO-STAR in addition to use of the Mark. Even though registration certificate No. TMA689,956 for the mark GEO-STAR filed by the Applicant seems to be incomplete [Exhibit E], this is of no consequence. In fact, ownership of registration No. TMA689,956 does not automatically grant the Applicant the right to obtain registration of the Mark no matter how closely the trade-marks may be related [see *American Cyanamid Co v Stanley Pharmaceuticals Ltd* (1996), 74 CPR (3d) 571 (TMOB); *Ralston Purina Canada Inc v HJ Heinz Co of Canada* (2000), 6 CPR (4th) 394 (TMOB)]. In addition, I do not attribute any weight to the fact that the Opponent has not objected to the application that led to registration No TMA689,956.

[17] A fair reading of the Applicant’s affidavit as a whole has led me to conclude that Diplomat Watch of Canada, Bijouterie Diplomat Montres du Canada and Bijouterie Diplomat are merely corporate names used by the Applicant in the operation of his business, which he describes as importing and selling watches, watch straps, clocks, lighters and pens wholesale and retail [paragraph 5 of the affidavit]. I also find it reasonable to conclude that the stores that purchase the Applicant’s products merely act as retailers of these products. In other words, the Opponent has not satisfied me that if I found that the evidence shows use of the Mark in Canada, I should conclude that the evidence establishes use of the Mark by distinct entities of the Applicant, contrary to the requirements of s. 50 of the Act.

[18] I give no weight to the applications filed by the Opponent to register the trade-marks G-STAR RAW & Design (No 1,331,910), G-STAR RAW DENIM (No 1,331,911) and G-STAR (No 1,331,912) in association with, among other things, “horological and chronometric instruments” [paragraphs 30 to 32 of the affidavit of the Applicant, Exhibits H to J]. Other than the fact that these applications were not referred to in support of a ground of opposition, and as I remarked at the hearing, the issue in the present proceeding is not whether the Opponent is entitled to use or register these trade-marks in Canada, but rather whether the Applicant has the right to register the Mark in association with the wares listed in his application for registration.

Non-compliance with s. 30(b) of the Act

[19] Since the facts are more readily available to an applicant, an opponent's initial burden with respect to the ground of opposition predicated on non-compliance with s. 30(b) of the Act is lighter [see *Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. An opponent can rely on the applicant's evidence to meet this onus, but must show that this evidence is clearly inconsistent with the alleged use of the applied-for mark [see *Ivy Lea Shirt Co v Muskoka Fine Watercraft & Supply Co* (1999), 2 CPR (4th) 562 (TMOB), at pages 565–566; aff'd (2001), 11 CPR (4th) 489 (FCTD)]. In this regard, s. 30(b) of the Act provides that the applied-for mark must have been used continuously in the normal course of trade since the date claimed [see *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD), at page 262].

[20] In this case, the Opponent has failed to submit any evidence to support its ground of opposition. It relies on the Applicant's evidence, specifically the affidavit of the Applicant himself, to meet its evidential burden. Consequently, I considered the Applicant's affidavit as a whole, in light of the Opponent's written and oral representations, in order to determine whether the evidence is clearly inconsistent with the alleged use of the Mark since June 5, 2002, in association with the wares listed in the application.

[21] The Applicant states that it has been operating his business of importing and selling watches, watch straps, clocks, pens and lighters wholesale and retail since 1965 [paragraph 5 of the affidavit]. At paragraph 16 of his affidavit, the Applicant states: [TRANSLATION] "The trade-mark G-STAR has been established and used by my company in Canada *for over six years*" (emphasis added). I disagree with the Opponent's representations that this statement in itself is inconsistent with the date of first use claimed in the application. Moreover, I am not prepared to conclude that the mere absence of a specific declaration of use of the Mark in association with "watches, watch straps, clocks, pens and lighters" since June 5, 2002, in the Applicant's affidavit is in itself inconsistent with the date of first use claimed. I would add that the Opponent itself correctly submitted that a bare statement of use is not evidence of use of a trade-mark pursuant to s. 4 of the Act.

[22] That being said, in the present case, for the following reasons, I am of the opinion that the absence of a clear and unequivocal statement of use of the Mark since June 5, 2002, in association with each of the wares listed in the application for registration combined with the ambiguities between the Applicant's statements and the documentary evidence raises serious doubts about the accuracy of the date of first use alleged in the application in association with the wares of "watch straps", "clocks", "lighters" and "pens" that are listed there.

[23] I indicated previously that, when reviewing the evidence, I would attribute no weight to affiants' personal opinions on questions of facts and law to be determined by the Registrar. However, the fact is that the Applicant expressed opinions in his affidavit. In that respect, I note that the Applicant stated that the Mark is a natural extension of his mark GEO-STAR. He upholds his opinion by stating that [TRANSLATION] "for several of [his] clients, the pronunciation of the mark GEO STAR is similar to the pronunciation of the [Mark]" [paragraph 21 of the affidavit]. These statements of the Applicant are preceded by the declaration that [TRANSLATION] "[t]he trade-mark GEO STAR is also used for the sale of watches, watch straps, lighters, pens and clocks, etc." [paragraph 19 of the affidavit]. The Applicant also states that [TRANSLATION] "[the approval of [his] application for the [Mark] will also protect the mark GEO-STAR which may be confused" with the marks of the Opponents' application Nos 1,331,910; 1,331,911; and 1,331,912 [paragraph 34 of the affidavit]. Consequently, and generally speaking, it is my opinion that the Opponent has some basis for submitting that the Applicant's statements regarding the links between the Mark and the mark GEO STAR suggests that he does not distinguish between the two marks. In other words, the Applicant seems to be of the view that use of the mark GEO STAR amounts to use of the Mark, which, in my opinion, reinforces my conclusions regarding the ambiguities in the Applicant's statements with regard to the documentary evidence. Nonetheless, I am not prepared to conclude that, as the Opponent wishes me to do, a reference to a G STAR product on the invoices adduced by the Applicant could just as readily be a reference to a GEO STAR product. I will come back to the invoices accompanying the affidavit in my discussion of the documentary evidence.

[24] As a general comment, I also note that the Applicant states at paragraph 13 of his affidavit that he also sells [TRANSLATION] "wares" under other marks than the Mark and GEO-STAR, namely "Diplomate, Omax, Moxel and Ralph Kalendji" (the other marks).

[25] I must emphasize that I am aware that the Applicant does not have the initial burden of proving the date of first use alleged in the application. However, by choosing to adduce evidence intended to show use of the Mark, the Applicant has exposed himself to the consequences that will result from my review of this evidence. Indeed, my colleague Jill Bradbury rightly noted as follows at paragraph 19 of *Guevin v Tall Dark & Handy Handyman Services Ltd* (2011), 97 CPR (4th) 444 (TMOB): “An applicant ought to be aware that if it is unable to prove a claimed date of first use with documentary evidence, it may be better off claiming a later, provable date, rather than risk having its application refused under s. 30(b)”.

[26] I will now discuss the documentary evidence as presented by the Applicant.

[27] At paragraph 15 of his affidavit, the Applicant states: [TRANSLATION] “In support, I am filing Exhibit C, a catalogue of *our products* sold under the [Mark]” (emphasis added). According to the Applicant’s statements, [TRANSLATION] “catalogues similar to *the catalogues* adduced under Exhibit C have been produced since 2000” and “the catalogues change every year, as products develop” (emphasis added) [paragraphs 15.1 and 15.2 of the affidavit]. Since the Applicant refers both to a catalogue and to catalogues in Exhibit C, I want to clarify that only one catalogue is appended to his affidavit.

[28] The Applicant’s statement regarding the catalogues that have been produced since 2000 is clearly consistent with the date of first use alleged in the application for registration. Moreover, despite the Opponent’s submissions to the contrary, I find it reasonable to infer from the Applicant’s statements that the catalogue filed under Exhibit C shows products sold under the Mark since June 5, 2002. That being said, the Applicant states specifically that the catalogue is of the products sold under the Mark. A strict interpretation of this statement of the Applicant would suggest that the products shown in the catalogue are *all* products that have been sold under the Mark since the alleged date. If one does not find it reasonable to interpret the Applicant’s statement in a strict manner, one must conclude that the Applicant’s statement is ambiguous. In any event, the catalogue appended under Exhibit C only shows watches bearing the Mark. In other words, the catalogue does not show any watch straps, clocks, lighters or pens. Consequently, based on my consideration of the catalogue and the Applicant’s statements regarding the catalogue, I conclude that this particular evidence is clearly inconsistent with the

claim of use of the Mark since June 5, 2002, in association with the wares of “watch straps, clocks, lighters [and] pens” as listed in the application.

[29] I now turn to the series of photographs adduced under Exhibit B. According to the Applicant’s statements, these photographs were filed to support his statement that his company [TRANSLATION] “assembles its watches in its workshops and prints its marks registered here in Canada on the generic watches it imports” [paragraph 10 of the affidavit] and to show [TRANSLATION] “where [his] products are retailed or sold by retailers” [paragraph 10.1 of the affidavit].

[30] It appears to me that it must be concluded from the Applicant’s statement that the photographs were adduced in part to show use of the Mark and of other marks on watches. Moreover, the Applicant does not specifically refer to any products other than watches. Yet I note that some of the photos show lighters and pens bearing the Mark and other marks; that the mark GEO-STAR, but not the Mark, appears on watch straps shown on photos; and that no photo shows clocks. Even if one ignores the Applicant’s silence on other wares than the watches and the fact that there is no indication as to when the photographs of lighters and pens were taken, I am not prepared to infer from the Applicant’s statement that these photos are representative of use of the Mark in association with lighters and pens since the date alleged in the application. In my opinion, I can at most conclude that these photographs show lighters and pens bearing the Mark on or around the date of the affidavit.

[31] Even though the Opponent correctly submits that the Applicant’s affidavit does not establish the value and sales volume of the wares associated with the Mark at any point in time, the absence of this information is not in itself inconsistent with the claim of use of the Mark. That being said, the Applicant filed under Exhibit F [TRANSLATION] “a series of invoices dated July 21, 2000, to September 4, 2008, for sales of products under the trade-mark GEO STAR and under the [Mark]” [paragraph 22 of the affidavit]; these invoices are [TRANSLATION] “a selection of invoices” from the Applicant’s business for the sale of products under the mark GEO-STAR and the Mark [paragraph 22.1 of the affidavit]. Since the Applicant has chosen to adduce a selection of invoices, I find it entirely appropriate to examine this documentary evidence to consider whether it is clearly inconsistent with the claim of use of the Mark since June 5, 2002,

in association with the wares of “watch straps, clocks, pens [and] lighters” listed in the application.

[32] In my view, the fact that the Applicant presents these invoices in referring to the sale of *products* results in ambiguity, in that the Applicant does not clearly state the products sold in association with the Mark that are covered by these invoices. I conclude from the Applicant’s statement and the invoices as such that they concern the sales of products associated with the GEO STAR mark *and* the Mark. Further to my review of the invoices, I would add that, in many instances, products are described on invoices without reference to a particular trade-mark or one or more of the other marks. Given the Applicant’s statement, I am not willing to infer that the products described on invoices without reference to a particular trade-mark were products associated with the Mark.

[33] After a fair reading of the invoices selected by the Applicant, I conclude, first, that none of the selected invoices predating June 5, 2002, that is, those issued between July 21, 2000, and March 29, 2001, regard the sale of wares in association with the Mark. I conclude, second, that the invoices that cover the material period under the ground of opposition partly concern the sale of wares in association with the Mark, but solely the wares of “watches, watch straps, lighters [and] pens” as listed in the application. In other words, I conclude that none of the invoices covering the material period, that is, June 5, 2002, to May 16, 2006, were for the sale of clocks in association with the Mark. I would add that, among the invoices selected, the first invoice for the sale of clocks in association with the Mark is dated May 29, 2007, that is, after the material period.

[34] As for the invoices issued during the material period for the wares sold in association with the Mark, the Applicant chose *one* invoice dated June 5, 2002, and this suggests that it was for the sale of a watch. The first invoice selected by the Applicant suggesting that pens were sold in association with the Mark is dated June 9, 2002, and the first invoice suggesting that a watch strap and a lighter were sold in association with the Mark is dated November 19, 2002.

[35] My conclusion that none of the invoices predating June 5, 2002, are for sales of wares in association with the Mark is clearly consistent with the date of first use claimed by the Applicant. However, in the circumstances of the present proceeding, I find that this fact is not

without consequence for the Applicant. In my opinion, this, combined with the ambiguities in the Applicant's statements, the lack of information on the value and sales volume of the wares during the material period and the dates of the first invoices leading me to conclude that "watch straps, clocks, lighters and pens" were sold, is sufficient for me to conclude that the evidence is inconsistent with the date of first use alleged for these wares.

[36] Ultimately, after a fair reading of the Applicant's affidavit, I conclude that the affidavit satisfies the Opponent's light evidential burden, but only in respect of the wares of "watch straps, clocks, lighters [and] pens" as listed in the application. The Opponent having discharged its initial onus, I am not satisfied that the Applicant has discharged his burden to prove, on a balance of probabilities, that the ground of opposition should not prevent registration of the Mark in association with these wares.

[37] Consequently, I allow the ground of opposition based on non-compliance with s. 30(b) of the Act with regard to the wares of "watch straps, clocks, lighters [and] pens", and I dismiss the ground of opposition for the wares if "watches".

#### Non-compliance with s. 30(i) of the Act

[38] I dismiss this ground of opposition because the allegation that the Applicant was aware of the use of the Opponent's trade-marks and trade-names is not a proper ground of opposition. All that is required of an applicant under s. 30(i) of the Act is to provide a statement that it is satisfied that it is entitled to use the trade-mark in Canada in association with the wares or services described in its application. The Applicant strictly complied with the requirements of this provision. I would further add that it is well established in the case law that a ground of opposition based on non-compliance with s. 30(i) of the Act should only succeed in specific cases, particularly where bad faith by the applicant has been alleged and established or where specific legislative provisions prevent the registration of the mark for which the application has been made [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. This is not the case in the present proceeding.

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

[39] The Opponent provided certificates of authenticity for registration No TMA456,620 for the word mark G-STAR and for registration No TMA465,160 for the design mark G-STAR & Design. I exercised the Registrar's discretion to confirm that each of these registrations is active. The statement of wares of each registration reads as follows:

TMA456,620: "soaps, perfumery, essential oils, mascara, hair lotions; suitcases, keycases and belts, bags, wallets, trunks and travelling bags, umbrellas, shirts, T-shirts, sweaters, jackets, body warmers, shorts, jeans, trousers, blouses, socks, stockings, shoes, boots, caps and hats".

TMA465,160: "soaps, perfumery, essential oils, cosmetics, namely, mascara, hair lotions; goods of leather or imitations of leathers namely, suit cases, key cases, belts, bags, wallets, trunks and travelling bags; umbrellas; clothing, footwear, headgear namely, shirts, t-shirts, sweaters, jackets, bodywarmers, shorts, jeans, trousers, blouses, socks, stockings, shoes, sportshoes, boots, caps, hats."

[40] I note that, according to the notes at the bottom of each registration page, the original owner of each registration, Amsterdam Fashion Co. Ltd, assigned them to G-Star International Ltd on December 5, 1996, and that G-Star International Ltd assigned them to the Opponent on March 31, 2006.

[41] Given that the Opponent has met its initial burden of proof, the onus is on the Applicant to show, on a balance of probabilities, that there is no risk of confusion between the Mark and the Opponent's registered mark G-STAR and G-STAR & Design.

[42] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that the 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.

[43] In support of his position that there is no confusion between the parties' marks, the Applicant, both in his written arguments and at the hearing, referred to many decisions in which it had been concluded that there was no confusion between similar trade-marks. Suffice it to say that the issue of confusion between the Mark and the trade-marks alleged by the Opponent is a

question of probabilities and surrounding circumstances based on the particular facts of this case. In other words, each case must be decided upon its own merit.

[44] In deciding whether trade-marks are confusing, the Registrar must have regard to all of the surrounding circumstances, including those specifically listed at s. 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 the trade-marks have 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. This is not an exhaustive list, and different weight may be given to the various factors depending on the context [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401, (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

[45] In *Masterpiece*, the Supreme Court of Canada discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing. The Supreme Court noted that degree of resemblance is the statutory factor that is often likely to have the greatest effect on the confusion analysis and that, consequently, most confusion analyses should begin with this factor. Using this approach, I shall now assess all of the surrounding circumstances, concentrating on the likelihood of confusion between the Mark and the Opponent's word mark G-STAR (TMA456,620) since it is my opinion that this is what will determine the outcome of this ground of opposition. In other words, if I find that there is no likelihood of confusion between the Mark and the word mark G-STAR, I will also conclude that confusion is not likely between the Mark and the design mark G-STAR & Design (TMA465,160).

The degree of resemblance between the marks in appearance or sound or in the ideas suggested by them

[46] Even though the Applicant admits that the Mark [TRANSLATION] “is similar to some of the [Opponent's) trade-marks”, he submits that the evidence on record shows that [TRANSLATION] “visually the trade-marks are very different” [paragraphs 104 and 107 of his

written arguments]. In support of his position on the visual differences between the marks, the Applicant notes that his evidence shows that the Mark uses the colour red and that it is used in combination with the word “Canada”. Contrary to the Applicant’s submissions, these facts are irrelevant when considering the degree of resemblance between the marks at issue since I must look at the Mark as it is presented in the application. The fact that the evidence shows that the parties use different fonts is also irrelevant. In fact, since the application and the registration concern word marks, the parties are not limited to using a specific font for their respective trade-marks.

[47] In addition to being essentially identical in appearance, the marks are identical in sound and in terms of the idea they suggest.

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[48] Both marks possess an equivalent degree of inherent distinctiveness in the context of the wares associated with them.

[49] As the strength of a trade-mark may be increased by means of it becoming known through promotion or use, I will now turn to the extent to which the marks have become known in Canada.

[50] Even though the Applicant’s evidence has led me to doubt use of the Mark in association with *all* the wares listed in the application since the alleged date of first use, namely, June 5, 2002, the evidence nonetheless establishes use of the Mark since that date. However, aside from the Applicant’s statement that the sales figures of the Applicant’s business have been increasing for years [paragraph 12 of the affidavit], the Applicant provides no specifics on the value and sales volume of the wares associated with the Mark at any point in time.

[51] As for the promotion of the Mark, I conclude from the Applicant’s statements that the Mark is promoted through catalogues, leaflets, posters distributed to retailers and the Web site [www.gstarwatches.com](http://www.gstarwatches.com) [paragraphs 24 and 24.1 of the affidavit]. The evidence regarding the volume of promotional material distributed is limited to a statement by the Applicant that the material is distributed [TRANSLATION] “everywhere” where watches are sold [paragraph 24 of the

affidavit]. According to the list of the Applicant's [TRANSLATION] "most important clients", these clients are located mainly in Montréal (Exhibit G). With regard to advertising expenditures, the Applicant states that [TRANSLATION] "[i]n the last few years, [his] business spent between \$4,000 and \$6,000 a year on advertising and promoting products under the [Mark] and GEO STAR" [paragraph 25 of the affidavit]. I must therefore conclude that these advertising expenses do not apply solely to the Mark.

[52] Based on the foregoing, I find that the Applicant's evidence does not allow me to draw any conclusions on the extent to which the Mark has become known in Canada. On the basis of the evidence adduced by the Applicant, I can at best conclude that if the Mark has become known in Canada, it has done so only slightly.

[53] To begin my discussion of the Opponent's evidence, I note that Mr. Gagné refers collectively to the Opponent's registered and unregistered marks as "The G-STAR Marks". Thus, my subsequent use of the expression "the G-STAR Marks" is a collective reference to the Opponent's trade-marks in Mr. Gagné's affidavit.

[54] I am reproducing in part paragraphs 3 and 4 of Mr. Gagné's affidavit in which he explains the basis of his knowledge of the facts to which he attests, the relationship between G-Star Canada Inc, which he refers to as "MY COMPANY", and G-Star International Ltd, the Opponent's predecessor in title, and the relationship between his company and the Opponent, then known as G-Star Raw Denim Kft:

3. . . . In setting forth the following information, I relied on my direct knowledge, as well as information gleaned from records and other materials of MY COMPANY, and other companies within the G-Star family of companies. I am personally aware of or have verified the facts and information contained in this Affidavit . . . .

4. . . . MY COMPANY has previously been granted a sub-license by G-Star International B.V. who was licensed by G-Star International Ltd. to use The G-STAR Marks for all the goods covered by the registrations and applications, in Canada. When the aforementioned marks were assigned, G-Star Raw Denim Kft then licensed use of the marks to G-Star International B.V. who sub-licensed G-Star Canada Inc. to use the marks in Canada. G-Star International B.V. now answers to G-Star Raw Denim Kft (and previously answered to G-Star International Ltd. when this entity owned the marks) to ensure that all products branded with The G-Star Marks sold directly, or

through G-Star Canada Inc. as sublicensee, meet the high standard of quality and character established and carefully monitored by G-Star Raw Denim Kft.

[55] According to Mr. Gagné's statements, the products bearing the G-STAR Marks are sold in over 50 countries [paragraph 5 of the affidavit]. G-Star International B.V., a licensee of the Opponent and its predecessor in title, has been providing products bearing the G-STAR Marks in Canada since at least as early as January 2003 through G-Star Canada Inc [paragraph 9 of the affidavit].

[56] Mr. Gagné filed various samples of use of one or more of the G-STAR Marks for products sold in Canada (Exhibits J to N). He also adduced a sampling of invoices of sales throughout Canada of products bearing one or more of the G-STAR Marks (Exhibit B). According to Mr. Gagné, the products covered by the invoices included jeans, trousers, jewellery, skirts, jackets, body warmers, shirts, t-shirts, coats, blouses, sweaters, caps, hats, bags, wallets, travelling bags, key cases, belts and shorts [paragraph 9 of the affidavit]. According to the yearly breakdown of the sales figures, the revenues generated by sales in Canada of products bearing the G-STAR Marks have steadily increased over the years from approximately 1.4 million euros in 2003/2004 to approximately 5.8 million euros in 2006/2007. The revenues are not broken down by product or by product category; however, Mr. Gagné did state that jewellery sales by his company accounted for less than 1% of the sales in Canada of products bearing the G-STAR Marks [paragraph 10 of the affidavit].

[57] According to Mr. Gagné's statements, the products bearing the G-STAR Marks are promoted through, among other things, advertisements in magazines and on billboards, fashion shows, point of sale material and brochures. According to the annual breakdown of the money spent on promoting products bearing the G-STAR Marks in Canada, these expenses have steadily increased over the years, from approximately 37,000 euros in 2003/2004 to approximately 190,000 euros in 2006/2007 [paragraph 13 of the affidavit]. Mr. Gagné filed examples of magazine advertisements (Exhibits C to F), catalogues made available to consumers (Exhibit G) and documentation regarding the G-Star group of companies' participation in fashion shows.

[58] Even though Mr. Gagné's collective reference to the G-STAR Marks in his presentation of the evidence opens his affidavit to criticism, I find that any relevant evidence regarding the use and promotion of the design mark G-STAR & Design (TMA465,160) may be considered to be evidence of use and promotion of the word mark G-STAR. Consequently, a fair reading of Mr. Gagné's affidavit as a whole leads me to conclude that it establishes that the Opponent's mark has been used in Canada since January 2003 and that it has become well known here.

[59] The issue is therefore whether use of the G-STAR mark by G-Star Canada Inc is attributable to the Opponent and its predecessor in title, G-Star International Ltd, in accordance with s. 50 of the Act. At the hearing, I noted that no submissions had been made on this issue in the Applicant's written arguments. In reply, the Applicant's agent submitted that the evidence did not show that the Opponent and its predecessor in title controlled G-Star Canada Inc. As I reminded the Applicant's agent, s. 50(1) of the Act requires the owner of the mark, and not the *licensed company*, to have direct or indirect control of the *character or quality of the wares or services* in order for the use of a trade-mark by a licensee to be deemed to be used by the owner.

[60] The fact that Mr. Gagné did not specifically name the member companies of "the G-STAR family of companies" is of no significance since a corporate relationship alone is insufficient to establish the existence of a license within the meaning of s. 50(1) of the Act [see *MCI Multinet Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 (TMOB); *Loblaws Inc v Tritap Food Broker* (1999), 3 CPR (4th) 108 (TMOB)]. Moreover, s. 50(1) does not require a written licence. Evidence of control by an owner of a trade-mark can support the existence of an implied license agreement [see *Well's Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD)].

[61] Details regarding the measures taken by the Opponent and its predecessor in title to control the character and quality of the wares sold in Canada in association with the G-STAR mark would likely have been elicited through cross-examination of Mr. Gagné, but the Applicant elected to forego this. Moreover, the Applicant did not raise any objections regarding Mr. Gagné's competency to testify on behalf of the Opponent or his knowledge of the facts attested to in his affidavit. Lastly, the Applicant did not make any submissions in his written

arguments regarding the control required by s. 50(1) of the Act, doing so only at the hearing, unsatisfactorily so and only after I raised the matter.

[62] In light of the foregoing, I find it reasonable to give full weight to Mr. Gagné's explicit statement that G-Star International B.V. answers to the Opponent (and answered to G-Star International Ltd) to ensure that all the products sold directly or through G-Star Canada Inc as a sub-licensee meet the standards that the Opponent has established and closely monitors. In other words, in the circumstances of this case, I find that Mr. Gagné's affidavit establishes that use of the mark G-STAR in Canada since January 2003 has benefitted the Opponent and its predecessor in title in accordance with s. 50(1) of the Act.

[63] Ultimately, I conclude that the overall assessment of this first factor significantly favours the Opponent.

#### Length of time the marks have been used

[64] As discussed previously, I find that the Applicant has evidenced use of the Mark since June 5, 2002, while the Opponent has established use of its mark in Canada since January 2003. Consequently, the second factor tends to favour the Applicant, albeit not significantly.

#### The nature of the wares, services or business; and the nature of the trade

[65] In considering the nature of the wares and the nature of the trade, I must compare the statement of the wares contemplated by the application for registration with the statement of the wares covered by registration No TMA456,620 [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[66] I recognize that the wares identified in registration No TMA456,620 are intrinsically different from the wares identified in the application for registration. However, given that the application concerns watches, I cannot entirely agree with the Applicant's claim that there [TRANSLATION] "is no apparent or natural connection" between his wares and the clothing and fashion accessories in association with which the Opponent's mark is registered. Clothing and accessories on the one hand and watches on the other are wares associated with fashion in

general (see *Bombardier Inc v Carrard*, 2012 TMOB 37 (TMOB), at paragraph . 25]. Indeed, the Applicant states at paragraph 94 of his written arguments: [TRANSLATION] “It is true that a watch may, in some circumstances, be considered to be a fashion accessory”.

[67] The Opponent submits that the affidavit of Ms. Brady and that of the Applicant himself prove that there is an important connection between watches and clothing.

[68] Ms. Brady’s evidence is clearly related to the issues in the present case. Since Ms Brady is a trade-marks agent employed by the firm representing the Opponent, I find it reasonable to conclude that she is not an impartial witness filing an affidavit in complete objectivity [see *Cross Canada Auto Body Supply (Windsor) Limited et al v Hyundai Auto Canada* (2005), 43 CPR (4th) 21 (FC); aff’d (2006), 53 CPR (4th) 286 (FCA)]. Consequently, I give no weight to her opinion that companies that sell clothing of the type sold by the Opponent often also sell watches, even if she expresses this opinion as an ordinary consumer [paragraph 8 of the affidavit]. That being said, I agree with considering the facts to which Ms Brady attests in her affidavit.

[69] According to Ms Brady, she was instructed to examine Exhibit G to Mr Gagné’s affidavit, consisting of catalogues, and to visit clothing stores and department stores to buy products of the type sold in Canada by the Opponent. She was also instructed to determine whether these stores also sold watches and, if so, to buy watches [paragraphs 2 and 3 of the affidavit]. While visiting the stores named in her affidavit, and depending on the store in question, Ms Brady purchased a TOMMY HILFIGER-brand pair of jeans and watch; a GUESS-brand pair of jeans and watch; a ROOTS-brand shirt, t-shirt and watch; an EDDIE BAUER-brand sweater, skirt and watch; a BUFFALO David Bitton-brand pair of jeans and watch; and a LEVI’S-brand jeans jacket and watch [paragraphs 4 to 8 of the affidavit, Exhibits B to L].

[70] It is not necessary, in my opinion, to consider the Opponent’s arguments with respect to the affidavit of the Applicant himself to conclude that the evidence on the record establishes a connection between watches and clothing. In that regard, I accept that the facts to which Ms Brady attests sufficiently support such a connection.

[71] Moreover, it is my view that Ms Brady’s failure to clarify whether she found the clothing and watches she bought at the same place or at different places is inconsequential in the present

proceeding. In fact, even if it is reasonable to conclude that clothing and watches are not generally wares that are sold side by side or close to each other, I note that s. 6(2) of the Act does not require the parties' wares to be side by side or to be of the same general class.

[72] Absent a restriction in the statement of wares of the application for registration as to the channels of trade associated with the Applicant's wares, the fact that the Applicant sells his wares exclusively through watch stores, jewellery stores and jewellers is not significant when assessing the ground of opposition [see *Culinar Inc v Mountain Chocolates Ltd* (1998), 86 CPR (3d) 251 (TMOB), at page 257]. Finally, whether the Applicant is arguing rightly or wrongly that his target customer base differs from the Opponent's, I find that the users of the wares associated with the parties' marks are ultimately the same, that is, Canadian consumers in general.

[73] Ultimately, I conclude that the overall assessment of the nature of the wares and the nature of the trade favours the Opponent when I consider the wares of "watches" identified in the application for registration. Moreover, given the connection between watches and watch straps, in my view, the overall assessment of these factors also favours the Opponent as far as the wares of "watch straps" identified in the application are concerned.

#### Additional surrounding circumstance - actual confusion

[74] According to the Opponent's representations, the evidence it adduced through the affidavit of Mr Howard shows an instance of actual confusion between its mark and the Mark in association with watches. At the hearing, in addition to relying on the affidavit of Georges Kelendji to reply to the Opponent's submissions, the Applicant submitted that the testimony of Mr Howard was hearsay.

[75] I do not intend to analyze the evidence submitted and the merit of the parties' representations on this point as I find it unnecessary to consider this additional circumstance to find in favour of the Opponent in respect of the likelihood of confusion between its mark and the Mark in association with watches.

### Conclusion – likelihood of confusion

[76] In applying the test for confusion, I am considering the test as a matter of first impression and imperfect recollection. In light of my analysis above and considering, more specifically, the degree of resemblance between the marks at hand, the extent to which the Opponent’s mark has become known and the connections between clothing and watches in the fashion sector in general, it is my view that the Applicant did not satisfy his burden of proving that there is no likelihood of confusion between the Mark in association with “watches” and the Opponent’s mark. Even though the Applicant has proven use of the Mark in Canada in association with watches, I cannot conclude that the period of use and the distinctiveness acquired as a result of such use are sufficient to tip the balance of probabilities in his favour.

[77] As for the other wares listed in the application, it is my view that the likelihood of confusion between the Mark in association with the wares of “watch straps” and the Opponent’s mark is equal to the likelihood of no confusion. Consequently, I must conclude that the Applicant did not satisfy his burden of showing that confusion between the Mark in association with these wares and the Opponent’s mark is not likely. However, as regards the wares of “clocks”, “lighters” and “pens”, I consider that the differences between the wares associated with the marks at issue tip the balance of probabilities in the Applicant’s favour, and I therefore conclude that the Applicant has met his onus with respect to these wares.

[78] As I mentioned above, I find that comparing the Mark with the Opponent’s trade-mark G-STAR registered under TMA456,620 decides the ground of opposition based on s. 12(1)(d) of the Act. Consequently, I allow the ground of opposition with respect to the wares of “watches [and] watch straps” and dismiss it with respect to the wares of “clocks, lighters [and] pens”.

### Remaining Grounds of Opposition

[79] By allowing the ground of opposition based on s. 30(b) of the Act with respect to the wares of “watch straps, clocks, lighters [and] pens” and that based on s. 12(1)(d) with respect to the wares of “watches [and] watch straps”, I have already refused the application for all of the wares listed there. Accordingly, I will not examine the entitlement and distinctiveness grounds of opposition.

Disposition

[80] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application for registration pursuant to s. 38(8) of the Act.

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Céline Tremblay  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

Certified true translation  
Johanna Kratz, Translator