

**IN THE MATTER OF AN OPPOSITION
by Swanson Group Inc. to application No.
1,147,630 for the trade-mark MUSKOKA
& Design filed by John Thomas
Black**

On July 26, 2002, John Thomas Black (the “Applicant”) filed an application to register the trade-mark MUSKOKA & Design (the “Mark”), which is shown below:



The design portion of the Mark is described as consisting of signal pennants that represent the letters MUSKOKA; under each pennant is its corresponding letter.

The Applicant has disclaimed the right to the exclusive use of the word MUSKOKA apart from the Mark.

The application is currently based upon proposed use in association with the following wares:

- 1) Fabric clothing, namely, water resistant jackets and coats, rain-gear shirts and pants, fleece jackets and vests, t-shirts, sweat shirts and pants
- (2) Sail-bags, duffle bags, map cases and boat bags
- (3) Sailing and ball caps
- (4) Boat covers and blankets.

The application was advertised for opposition purposes in the Trade-marks Journal of May 26, 2004.

On July 26, 2004, Swanson Group Inc. (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement. I have disregarded those portions of the counter statement that comprise facts or argument.

The Opponent’s evidence consists of the affidavit of Gregory Swanson, the Opponent’s President. The Applicant’s evidence consists of his own affidavit. I have disregarded those portions of the affidavits wherein each affiant expresses his view regarding the likelihood of confusion between the parties’ marks.

Neither of the affiants was cross-examined.

Neither party filed a written argument and an oral hearing was not held.

Onus

The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”). There is however an initial burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. [See *John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.).]

Section 12(1)(d) Ground of Opposition

The Opponent has pleaded that the Applicant’s Mark is not registrable pursuant to s. 12(1)(d) of the Act because the Mark is confusing with the trade-mark MUSKOKA LAKES registered in Canada by the Opponent under No. TMA 394,390 for use in association with:

- (1) Fabric clothing, namely sweaters, jackets, coats, shorts, pants, sweat shirts, T-shirts, and sport shirts.
- (2) Linens, namely bed sheets, blankets, duvets, comforters, pillow shams, towels, face clothes.
- (3) Bathrobes.

- (4) Mugs, cups, dishes, cutlery, sauce holders, gravy boats, teapots, coffee pots, serving pieces, pots and pans.
- (5) Purses and handbags.
- (6) Luggage, namely knapsacks, travel bags, suitcases and garment bags.
- (7) Footwear, namely shoes, boots and slippers.
- (8) Wrist watches, clocks, sunglasses.

The material date with respect to this ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

The Opponent has not introduced its registration into evidence but I have exercised the Registrar's discretion to check the register in order to confirm the existence of the registration [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.*, 11 C.P.R. (3d) 410 (T.M.O.B.)].

The registration states that the Opponent has disclaimed the right to the exclusive use of the word MUSKOKA apart from the trade-mark.

the test for confusion

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

In two recent decisions, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321, [2006] 1 S.C.R. 772, and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al* (2006), 49 C.P.R. (4th) 401, [2006] 1 S.C.R. 824, 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.

In *Veuve Clicquot Ponsardin*, Mr. Justice Binnie discussed the test of confusion at paragraph 20, as follows:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name *Cliquot* on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. As stated by Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.* (1968), [1969] S.C.R. 192 (S.C.C.), at p. 202:

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

...the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark. (Citing in part *Halsbury's Laws of England*, 3rd ed., vol. 38, para. 989, at p. 590.)

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

Neither of the parties' marks is inherently strong as each suggests that the wares relate to the geographical area known as Muskoka or the Muskoka Lakes. I note that one of the Opponent's brochures (Exhibit "D", Swanson affidavit) reads in part as follows:

Muskoka Lakes is a unique place.
One of Canada's best-known lake districts.
A scenic-historic wonderland of tall pines and clear lakes with water that laps upon
glacier cut rock.
And so, Muskoka Lakes has evolved. It has formed an emotional attachment for those

who have visited this special place and have made it a retreat from the busy city.

For Spring 2000, Muskoka Lakes Clothing returns to Classic outdoor-sport. From the Muskoka Lakes lifestyles of Gardening to Classic Boating, our collection has evolved just like the region....

Experience Muskoka Lakes through us!

Overall, the Applicant's Mark has a greater degree of inherent distinctiveness due to its design features. Although the Applicant has stated that these design features represent the letters of MUSKOKA, there is no evidence that the average Canadian consumer of the wares listed in the Applicant's application would be aware of the meaning of the designs.

The strength of a trade-mark may be increased by means of it becoming known through promotion or use. I reproduce below the only portions of the affiants' affidavits that relate to promotion or use of the marks.

Paragraphs 11 and 14 of Mr. Black's affidavit read:

11. I do verily point out and attest to the fact that *I do not, manufacture any of the wares that I put the logo on. I buy stock items from brand name manufacturers and decorate them with the Muskoka signal pennants logo.* The original manufacturers' labels remain visible on the garments. The trade-mark I am seeking to register *is for decorative purposes only.* I do therefore verily believe that no confusion can arise, as to the origin of wares with my logo design on them, and the wares that the opposition [sic] manufactures. Attached hereto and marked as **Exhibit "H"** are pictures of some of the items I have decorated with the logo.
14. I submit this design for trade-mark registration to protect my rights to the *unique visual combination of signal flags and their corresponding letters,* which I have been embroidering on various items since the summer of 2001.

[emphasis is that of the affiant]

From the foregoing, it appears that the Applicant has applied its Mark to some wares since the summer of 2001 but I cannot conclude that there has been any use of the Applicant's Mark in accordance with s. 4 of the Act.

Paragraph 9 of Mr. Swanson's affidavit reads:

For more than 12 years the Opponent's registered trade-mark "MUSKOKA LAKES" has been in use in North America and abroad in association with the wares listed in paragraph 4. The cost of marketing to the Opponent for the "MUSKOKA LAKES" brand in North America alone has been in excess of \$1,000,000.00. I do verily believe that the trade-mark "MUSKOKA LAKES" has become known in North America and abroad in relation to the Opponent's wares by reason of use, distribution and advertising efforts of the Opponent. Attached hereto and marked as **Exhibit "D"** are 3 brochures and 4 clothing tags of "MUSKOKA LAKES".

From the foregoing, I cannot make any finding concerning the extent of use or promotion of the Opponent's mark in Canada. Although there is a Canadian address on the brochures, there are also addresses for the United States and Japan. The affiant has not broken its marketing figures down by country and it is not clear from the evidence where the Opponent's wares are manufactured or what comprises its normal course of trade.

Accordingly, I cannot conclude that either party's mark has become known in Canada to any significant extent.

s. 6(5)(b) - the length of time each trade-mark has been in use

According to its registration, the Opponent began using its mark in association with each of its categories of wares before the Applicant filed its proposed use application.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

A number of the parties' wares overlap and it is reasonable to conclude that they could be sold through similar channels of trade.

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

Clearly, it is the common use of the disclaimed word MUSKOKA that results in the marks at issue resembling one another. Nevertheless, as noted in *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)] at 69, a "without prejudice" disclaimer does not affect the trade-mark owner's rights then existing or thereafter arising in the disclaimed matter.

Aurally and in idea suggested, the marks, when considered in their entirety, have a high degree of resemblance. It is when the marks are considered visually that they least resemble each other but even then there is a fairly high degree of resemblance.

further surrounding circumstances

i) state of the marketplace

Paragraph 13 of Mr. Black's affidavit reads in part as follows:

I do verily believe that over 300 companies in the Muskoka, Parry Sound area use the words Muskoka or Muskoka Lakes in their corporate names. Many of them promote their companies by producing apparel and promotional items with their company logos on them. Throughout the Muskoka region there are hundreds of stores, resorts, marinas, businesses, service clubs and souvenir shops, selling all manners of wares with the words Muskoka stamped, printed or embroidered on them.

The above is not the best form of marketplace evidence but, as it was not cross-examined on and not contradicted in any way, I accept that it is not uncommon for businesses in the Muskoka region to include the word Muskoka in their company names, logos, *etc.* However, this is not a significant factor in assessing the likelihood of confusion since there is no evidence of what words or designs third parties combine with the word MUSKOKA. In other words, I cannot assess if Canadians are used to distinguishing between two MUSKOKA marks that are as similar as the two at issue.

ii) decorative use

Mr. Black's sworn statement that the Applicant's logo "is for decorative purposes only" does not help the Applicant's case. Section 2 of the Act defines a trade-mark as a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others. Use of a logo for decorative purposes does not appear to fall within that definition. [See *Tommy Hilfiger Licensing Inc. v. International Clothiers Inc.* (2004), 32 C.P.R. (4th) 289 (F.C.A.) and (2003), 29 C.P.R. (4th) 39 (F.C.T.D.).]

conclusion re likelihood of confusion

As set out by Mr. Justice Binnie, I must assess the first impression in the mind of a casual consumer somewhat in a hurry who sees MUSKOKA & Design on clothing, *etc.*, at a time when he or she has no more than an imperfect recollection of the MUSKOKA LAKES trade-mark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. It is reasonable to conclude that the first impression would be that the MUSKOKA & Design mark is associated with the owner of the MUSKOKA LAKES mark. The Applicant has not satisfied me on a balance of probabilities that this would not be the case. The key and dominant portions of both marks are the same, the parties' wares overlap and there is no reason to conclude that their channels of trade would not also overlap. The s. 12(1)(d) ground of opposition therefore succeeds.

Remaining Grounds of Opposition

Each of the remaining grounds of opposition fail for the reasons set out below.

Section 10 Ground

The Opponent pleads that the Mark is not registrable because it is a mark prohibited under s. 10 because it has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, destination, value, place of origin or date of production of the Applicant's wares or is a mark so nearly resembling such mark as to be likely to be mistaken therefor.

This ground fails because the Opponent has not evidenced that the Mark, or any other mark that it might resemble, has become recognized as set out in s. 10.

Section 16(1) Grounds

The Opponent has pleaded that the Applicant is not the person entitled to registration pursuant to s. 16(1) but those grounds cannot stand as s. 16(1) only applies to applications that are based on use.

Section 16(3) Grounds

The Opponent has pleaded that the Applicant is not the person entitled to registration pursuant to s. 16(3) on the basis that as of May 26, 2004, the Mark was confusing with:

- i) a trade-mark that had been previously used in Canada or made known in Canada by Swanson Group Inc.;
- ii) a trade-mark in respect of which an application for registration had been previously filed in Canada by any [sic] Swanson Group Inc.;
- iii) a trade-name that had been previously used in Canada by Swanson Group Inc.

Each of these grounds fails for the following reasons.

- i) There is insufficient evidence to meet the Opponent's evidential burden with respect to this ground. In particular, there is no evidence that the Opponent's mark was used in Canada in accordance with s. 4 of the Act at any time, including prior to May 26, 2004. In addition, there is insufficient evidence to enable me to conclude that the Opponent's mark had been made known in Canada in accordance with s. 5 of the Act at any time.
- ii) There is no reference to any application owned by the Opponent, other than perhaps that which issued to registration No. 394,390. As that registration issued in 1992, its underlying application clearly was not pending as of May 26, 2004, as required by s. 16(4).
- iii) The Opponent has not made it clear as to what trade-name it is relying upon.

Section 2 Ground

The Opponent has pleaded that the Mark is not distinctive within the meaning of s. 2 of the Act since it neither distinguishes or is adapted to distinguish the Applicant's wares from the Opponent's wares.

In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition its trade-mark had become known sufficiently to negate the distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.)]. As I cannot reach any conclusion concerning the extent to which the Opponent's

mark was known in Canada as of May 26, 2004, the Opponent has not met its evidential burden and this ground fails.

Section 30(i) Ground

The Opponent has pleaded, “By reason of the foregoing, the applicant could not have been satisfied that it was entitled to use the Trade-mark in association with the Opposed Wares or Services.” This ground fails because it has not been sufficiently pleaded. The Opponent has not claimed that the Applicant was aware of the Opponent’s alleged prior rights, and even if the Applicant had been aware of the Opponent’s trade-mark as of the relevant date, such a fact is not inconsistent with the statement that the Applicant was satisfied that it was entitled to use the Mark on the basis that its Mark was not confusing with the Opponent’s trade-mark. In addition, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application pursuant to s. 38(8).

DATED AT TORONTO, ONTARIO, THIS 18th DAY OF APRIL 2007.

Jill W. Bradbury
Member
Trade-marks Opposition Board