



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

Citation: 2014 TMOB 216
Date of Decision: 2014-10-06

**IN THE MATTER OF AN OPPOSITION
by Manhattan International Trade Inc.
and Pure & Simple Concepts Inc. to
application No. 1,538,556 for the trade-
mark BLUE INDUSTRY DESIGN in the
name of Cornelis Fashion B.V.**

[1] On August 5, 2011, Cornelis Fashion B.V. (the Applicant) filed an application to register the trade-mark BLUE INDUSTRY DESIGN, shown below (the Mark).



[2] The application includes the following colour claim: “The trademark is a rectangle. Inside the rectangle are the words BLUE INDUSTRY and a circular target comprising three bands or circles. The outside edge of the rectangle is black. The background colour inside the rectangle is grey. The words BLUE INDUSTRY are black. The outer band or circle of the target is blue. The inner band or circle of the target is white. The solid center of the target is red.”

[3] The application covers the following wares all based on registration and use in OHIM(EU):

Clothing, namely, pants, sweatpants, jeans, overalls, shirts, T-shirts, tank tops, blouses, jackets, blazers, vests, coats, rainwear, dresses, skirts, dress suits, t-shirts, sweatshirts, sweaters, pullovers, cardigans, shorts, belts, ties, gloves, scarves, shawls, bathing suits, sport bras, lingerie, socks and hosiery; headgear, namely, balaclavas, bandannas, beanies, berets, cagoules, caps, ear muffs, hats, headbands, skull caps, toques, turbans and visors; and footwear, namely, athletic footwear, beach footwear, bridal footwear, casual

footwear, children's footwear, evening footwear, exercise footwear, footwear cushioning, golf footwear, infant footwear, orthopedic footwear, outdoor winter footwear, rain footwear, ski footwear and sports footwear (the Wares)

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 3, 2012.

[5] On February 7, 2013, Manhattan International Trade Inc. and Pure & Simple Concepts Inc. (the Opponents) filed a statement of opposition against the application. The grounds of opposition can be summarized as follows:

- The Applicant could not have been satisfied, at the date of filing the application, that it was entitled to use the Mark in Canada in association with the Wares having regard to the Opponents' prior use of the trade-mark INDUSTRY (subject to registration No. TMA569,602) since March 1996.
- The Mark is not registrable by virtue of section 12(1)(d) and 14(1)(a) of the *Trade-marks Act* RSC 1985, c T-13 (the Act) since the Mark is confusing with Pure & Simple Concepts Inc.'s trade-mark INDUSTRY (TMA569,602) registered in association with the following wares and services:

Wares: all men's, women's, boys', girls' and children's wearing apparel, namely, shirts, pants, blazers, jackets, vests, skirts, shorts, jeans, sweaters, T-shirts, underclothing and lingerie, together with all accessories, namely, belts, socks, ties, caps and hats.

Services: sale of all men's, women's, boys', girls' and children's wearing apparel, namely, shirts, pants, blazers, jackets, vests, skirts, shorts, jeans, sweaters, T-shirts, underclothing and lingerie, together with all accessories, namely, belts, socks, ties, caps and hats.

(the Opponent's Wares and Services)

- The Applicant is not entitled to registration of the Mark pursuant to section 16 of the Act since at the date of filing the application the Mark was, and is, confusing with Pure & Simple Concepts Inc.'s trade-mark INDUSTRY which had been previously used in Canada since March 1996 in association with the same general class of wares as the Wares.
- The Mark is not distinctive in that it neither actually distinguishes nor is adapted to distinguish the Wares from those of others, in particular those of the Opponents having regard to Pure & Simple Concepts Inc.'s use of the INDUSTRY trade-mark.

[6] The Applicant served and filed a counterstatement.

[7] In support of its opposition, the Opponent filed an affidavit of Ted Rozenwald, the President of both of the Opponents. Mr. Rozenwald was not cross-examined on his affidavit.

[8] The Applicant did not file any evidence in support of its application.

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

Onus and Material Dates

[10] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[11] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30 - the date of filing the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB)];
- sections 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)]
- sections 38(2)(c)/16(2) - the date of filing the application [see section 16(2) of the Act]; and
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Non-compliance with section 30(i) of the Act

[12] Where an applicant has provided the statement required by section 30(i), a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152

(TMOB) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the section 30(i) ground is accordingly dismissed.

Non-registrability Ground of Opposition

[13] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if one or more of the registrations relied upon are in good standing as of the date of the opposition decision. The Registrar has discretion to check the Register in order to confirm the existence of the registration(s) relied upon by an opponent [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised that discretion and find that the registration for the Opponent's INDUSTRY trade-mark remains extant. Based on the foregoing, the Opponent has succeeded in meeting its evidential burden under this ground of opposition.

[14] 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.

[15] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 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 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 in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC).]

Section 6(5)(a) – inherent distinctiveness and the extent to which the marks have become known

[16] The Mark includes the word elements BLUE and INDUSTRY along with design elements in the form of a rectangle and a target design – all following a specific colour scheme

of red, blue, white, grey and black as set out in the colour claim. The words BLUE and INDUSTRY have no particular meaning in relation to the Wares. Based on the foregoing, I consider the Mark to possess a fair degree of inherent distinctiveness.

[17] The Opponent's registered trade-mark is made up of only the word INDUSTRY. As was the case with the Mark, the word INDUSTRY has no particular meaning with respect to the Opponent's Wares and Services.

[18] I assess the inherent distinctiveness of the Mark as being slightly higher than the Opponent's registered mark due to the design elements.

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

[20] The Applicant has provided no evidence of use or making known for the Mark and thus I can only assume that the Mark has not become known to any extent in Canada.

[21] By contrast, the Opponents have provided some evidence of use of the registered INDUSTRY trade-mark.

[22] The Opponents' evidence establishes that on October 25, 2002 the Opponent, Manhattan International Trade Inc. (Manhattan) became the registered owner of registration No. TMA569,602 for the trade-mark INDUSTRY. On January 1, 2007, Manhattan International Trade Inc. transferred and assigned the rights, title and interest in and to this trade-mark to the Opponent Pure & Simple Concepts Inc. (Pure & Simple). In his affidavit, Mr. Rozenwald states that "since January 1, 2007, a non-written Agreement has existed between the Opponents, whereby the Opponent, Pure & Simple Concepts Inc. granted to the Opponent, Manhattan International Trade Inc., the right to use the trade-mark INDUSTRY in association with the wares and services described in registration No. TMA569,602" (paragraph 5).

[23] Mr. Rozenwald does not provide any further details as to the nature of this "non-written agreement" which was in place between the Opponents nor does he make any statements as to

whether the Pure & Simple exercised care and control over the character and quality of the associated wares and services to satisfy section 50(1) of the Act.

[24] Both in its written argument and at the oral hearing, the Applicant made substantial submissions on the licensing issue. Specifically, the Applicant submits that Manhattan's use of the INDUSTRY trade-mark could not accrue to Pure & Simple, as the current owner of the trade-mark, on the basis that Mr. Rozenwald's evidence is not sufficient to satisfy the requirements of section 50(1) of the Act. Specifically, the Applicant submits that Mr. Rozenwald was not properly authorized to license the trade-mark from Pure & Simple to Manhattan and that the Opponents did not provide evidence establishing that Pure & Simple, as the licensor, had exercised the necessary degree of care and control over the character and quality of the wares and services offered by Manhattan, the licensee.

[25] In response, the Opponents submit that Mr. Rozenwald, as the President of both Manhattan and Pure & Simple was authorized to license the INDUSTRY trade-mark from Pure & Simple to Manhattan and did in fact so license it (see paragraph 5 of his affidavit). Furthermore, the Opponents submit that the fact that Mr. Rozenwald is the President of both the licensor (Pure & Simple) and the licensee (Manhattan) is sufficient to establish the necessary degree of care and control to satisfy section 50(1) of the Act.

[26] The Opponent points to the "Confirmation of Change in Title" document evidencing the assignment of the INDUSTRY trade-mark from Manhattan to Pure & Simple (Exhibit TR-2) in which Mr. Rozenwald acted as the signing authority for both the transferor (Manhattan) and the transferee (Pure & Simple).

[27] The Applicant relies on case law establishing the principle that corporate structure alone is insufficient to establish the existence of a license within the meaning of section 50. Rather, the Applicant submits that there must also be evidence that the trade-mark owner controls the use of the Mark by the alleged licensee and takes steps to ensure the character and quality of the wares and services provided [see *Axa Assurances Inc v Charles Schwab & Co* (2005), 49 CPR (4th) 47 (TMOB); *MCI Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 (TMOB)].

[28] While this is true, I note that the jurisprudence has also recognized that the requirements of section 50 may be satisfied if the president or the director of a corporate owner is also the president or the director of the user of the trade-mark [see *Petro-Canada v 2946661 Canada Inc* (1998), 83 CPR (3d) 129 (FCTD)].

[29] Based on the foregoing and looking at the evidence as a whole, I am satisfied that the evidence supports a finding that Pure & Simple exercised the necessary degree of care and control over the character and quality of the Opponents' Wares and Services to satisfy section 50(1) of the Act, such that the use of the INDUSTRY trade-mark by Manhattan accrues to the owner of the mark, Pure & Simple.

[30] Now that I have determined that the evidence of use accrues to the trade-mark owner, I will briefly summarize the evidence of use provided by the Opponents. In his affidavit Mr. Rozenwald provides sample invoices evidencing sales of the Opponents' Wares and Services to Canadian customers from March 1996 – February 2013 (Exhibit TR-3). Furthermore, Mr. Rozenwald provides photographs of samples of the Opponents' clothing wares which bear the INDUSTRY trade-mark on labels and hangtags (Exhibit TR-4). Mr. Rozenwald states that the samples are representative of the clothing sold and delivered to customers by Manhattan from March 1996 – February 2013. Mr. Rozenwald also provides sample promotional materials in the form of advertising documents and printouts from the Opponents' and third parties' websites (Exhibits TR-5 and TR-6). However, Mr. Rozenwald has not provided any circulation figures or numbers of Canadian visitors to the websites and as a result this evidence is of little assistance in terms of establishing the extent to which the INDUSTRY trade-mark has become known in Canada.

[31] The Opponents have also failed to provide sales figures or other evidence which would have enabled me to make a clear determination as to the extent to which the INDUSTRY mark has become known in Canada. However, in light of the evidence of sales of the Opponents' Wares and Services in Canada since approximately March 1996, I am satisfied that the INDUSTRY trade-mark has become known to some extent.

[32] Ultimately, I find that this factor does not significantly favour either party.

Section 6(5)(b) – the length of time each has been in use

[33] As discussed in greater detail above in the analysis of the section 6(5)(a) factor, the Mark has not been used in Canada, whereas the INDUSTRY trade-mark has been used since approximately March 1996. As a result, this factor favours the Opponent.

Section 6(5)(c) and (d) – the nature of wares, services or business and trade

[34] The parties' wares are identical – both covering the same types of clothing wares. As a result, this factor favours the Opponent.

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

[35] The Mark incorporates the whole of Pure & Simple's INDUSTRY trade-mark which serves to create a significant degree of similarity between the parties' marks in terms of sound, appearance and ideas suggested.

Conclusion

[36] Considering the likelihood of confusion on the basis of first impression and imperfect recollection, taking into account all of the surrounding circumstances, in particular the fact that the parties' wares are identical and the fact that the Mark incorporates the whole of the registered INDUSTRY trade-mark, I find that on a balance of probabilities there is a likelihood of confusion between the parties' marks. Thus, I find that the Applicant has failed to meet its legal onus of establishing that no such likelihood of confusion exists. As a result, the ground of opposition based on section 12(1)(d) of the Act is successful.

Non-entitlement Grounds of Opposition

Section 16(2)(a) of the Act

[37] The Opponents plead that the Applicant is not entitled to registration of the Mark on the basis that the Opponent has previously used the trade-mark INDUSTRY in association with “the same general class of wares as the Wares”, in other words – in association with clothing.

[38] As discussed in greater detail above in relation to the non-registrability ground of opposition, the Opponents have succeeded in establishing use of the INDUSTRY trade-mark in association with clothing. The evidence supports a finding that this use predates the filing date of the application for the Mark (August 5, 2011) and non-abandonment of the trade-mark at the date of advertisement for the application for the Mark (October 3, 2012). The Opponents have thus met their evidential burden under the non-entitlement ground of opposition.

[39] The difference in material dates is not significant and as a result my finding under the non-registrability ground of opposition is equally applicable here. As a result, the non-entitlement ground is also successful.

Non-distinctiveness Ground of Opposition

[40] As I have already refused the application under two grounds, I will not address the remaining ground.

Disposition

[41] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office