

**IN THE MATTER OF AN OPPOSITION by
Canadian Duty Free Distributors Inc. to
application No. 742,557 for the trade-mark
CANADA COUNTRY filed by Logotex Mfg. Ltd.**

On December 2, 1993, the applicant, Logotex Mfg. Ltd., filed an application to register the trade-mark CANADA COUNTRY for shirts, t-shirts, golf shirts, polo shirts, jackets, uniforms, work wear, sweaters, sweatshirts, jogging outfits, jackets, scarves, hats, caps, visors, ties, bags, aprons, towels, crests, emblems, mugs, umbrellas, key chains, pens, clocks, watches, cards, buttons, desk sets and operation of a retail business providing embroidery and screen-printing services to the public based on use in Canada since at least as early as September 1993. The applicant disclaimed the right to the exclusive use of the word CANADA apart from the trade-mark. During prosecution, work wear was deleted from the statement of wares and Abags@ were further defined as Abags, namely: garment bags, tote bags, athletic bags and carry-alls@. The application was advertised for opposition purposes on October 5, 1994.

The opponent, Canadian Duty Free Distributors Inc., filed a statement of opposition on June 5, 1995. The grounds of opposition are non-compliance with Subsections 30(a), (b) and (i) of the *Trade-marks Act*, non-registrability pursuant to Paragraph 12(1)(d) of the *Act*, non-entitlement pursuant to Paragraphs 16(3)(a) and (b) of the *Act*, and non-distinctiveness. The applicant filed and served a counter statement in which it denied each of the grounds of opposition. On March 20, 1996, the opponent filed the affidavit of Peter Raju in support of its opposition. On September 25, 1996, the applicant filed a revised trade-mark application wherein the wares were reduced to Ashirts, t-shirts, polo shirts, sweaters, hats and caps@. The amendment was accepted by the Registrar.

The applicant submitted as its evidence the affidavit of Stan Shackell. The opponent obtained an order for the cross-examination of Mr. Shackell on his affidavit. The cross-examination was conducted and a copy of the transcript has been filed, together with two additional exhibits. Answers to undertakings have also been filed.

As reply evidence, the opponent filed a second affidavit of Peter Raju. This affidavit predominantly consists of Mr. Raju's discussion of the answers provided with respect to

the undertakings given during the cross-examination of Mr. Shackell. He expresses his opinion as to whether the answers given were adequate and what conclusions one should draw as a result. It is odd that an affidavit from the president of the opponent was used in this manner. It would be more appropriate for these comments to have been set out in the opponent's written argument. The affiant is not an expert in this area and his opinions concerning whether or not certain parts of the applicant's evidence should be excluded are of no consequence. I have therefore largely disregarded the second Raju affidavit, the exception being the points that Mr. Raju has provided concerning practices in the trade.

Each party filed a written argument. The opponent enclosed with its written argument a copy of a written argument filed by Logotex Mfg. Ltd. in another opposition. I have disregarded that enclosure as it is not part of the record in the present proceedings.

An oral hearing was held at which only the applicant was represented.

The first ground of opposition is that the application does not comply with Subsection 30(a) of the *Act* because the applicant has not used the mark in Canada in association with the applied for wares and services. Clearly the pleading of this ground has been garbled. Subsection 30(a) is concerned with whether or not the wares have been appropriately defined in ordinary commercial terms. Although the opponent has pleaded the wrong subsection of Section 30, I will treat this as a technicality as the applicant has not raised any objection thereto and clearly has taken the ground of opposition to be that the applicant has not used the mark.

I dismiss the first ground of opposition for the following reasons. First, in its written argument the opponent does not even list the allegation that the applicant has not used its mark as one of its grounds of opposition. Second, while the legal burden or onus is on the applicant to show that its application complies with Section 30, there is an evidential burden on the opponent to prove those allegations on which it relies [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. To meet the evidential burden upon it, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293, at p. 298]. There

is no evidence before me that supports the allegation that the applicant has not used its mark.

The second ground of opposition is that the application does not comply with Subsection 30(b) of the *Act* because the applicant has not used the mark in Canada in association with the applied for wares and services since the date of first use claimed, namely September 1993. There is an initial evidential burden on the opponent respecting the issue of the applicant's non-compliance with Subsection 30(b). This burden can be met by reference not only to the opponent's evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v. Molson Breweries, a Partnership*, 68 C.P.R. (3d) 216 at 230]. However, while the opponent may rely upon the applicant's evidence to meet its evidential burden in relation to this ground, the opponent must show that the applicant's evidence is clearly inconsistent with the applicant's claims as set forth in its application. I have some doubt as to whether the applicant's evidence is clearly inconsistent with its claimed date of first use for the following reasons. The documentary evidence introduced by Mr. Shackell to show a representative sale from the CANADA COUNTRY line includes an order form dated in September 1993 with a corresponding invoice dated November 29, 1993. It appears that the transfer of the property in or possession of the wares associated with the CANADA COUNTRY trade-mark in that transaction did not occur until November 1993 and therefore that transaction does not support the applicant's claimed date of first use. However, the applicant does not allege that such transaction was the first with respect to the trade-mark, rather that it is a representative sale. For this reason, I find that the applicant's evidence is not clearly inconsistent with its claimed date of first use. In this regard I note that Mr. Shackell did attest that the applicant began using its trade-mark in association with its wares and services at least as early as September 1993 and that the opponent did not obtain any contradictory details concerning the applicant's first use during the cross-examination of Mr. Shackell.

The third ground of opposition is that the application does not comply with Subsection 30(i) of the *Act* because the applicant was, at the time of the filing of the application, aware of the opponent's registered trade-mark KID'S COUNTRY CANADA & Design TMA 420,037 and could not therefore have been satisfied as to its entitlement to use the applied for mark. The KID'S COUNTRY CANADA & Design mark is shown below:

No evidence has been furnished by the opponent in support of its allegation that the applicant was aware of the use of the opponent's mark. As the opponent has failed to meet its evidentiary burden, I have dismissed the Subsection 30(i) ground of opposition.

The remaining grounds of opposition are all based on allegations of confusion between the applicant's trade-mark CANADA COUNTRY and the opponent's trade-mark KID'S COUNTRY CANADA & Design. The fourth ground of opposition is based on Paragraph 12(1)(d) and the likelihood of confusion with the registered mark KID'S COUNTRY CANADA & Design. The fifth ground of opposition refers to Subsection 16(3) but as the application was based on use, not proposed use, the appropriate subsection is 16(1). As a result of the wrong subsection being referred to, the opponent has also referred to the wrong material date. However, the applicant appears to have understood this ground of opposition to be based on Subsection 16(1) and has not argued that it was improperly pleaded. I shall therefore consider whether the applicant's trade-mark was confusing with the mark KID'S COUNTRY CANADA & Design as previously used by the opponent. The second arm of the Section 16 ground of opposition, namely confusion with a mark for which an application had been previously filed, will be disregarded because the application for KID'S COUNTRY CANADA & Design was not pending at the date of advertisement of the applicant's application, the application having issued to registration in November 1993 [in this regard see *Governor and Co. of Adventurers of England trading into Hudson's Bay, commonly called Hudson's Bay Co. v. Kmart Canada Ltd.*, 76 C.P.R. (3d) 526 at p. 528].

The final ground of opposition is that the applicant's mark is not distinctive because use of the applicant's mark is likely to lead to the inference that the applicant's wares are in some manner related to the wares of the opponent.

The applicant has the legal onus of proving that there would be no reasonable likelihood of confusion between the marks. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant [see *John Labatt Ltd. v. Molson*

Companies Ltd. (1990), 30 C.P.R. (3d) 293].

The material dates with respect to the grounds of opposition based on confusion are as follows: Paragraph 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (FCA)]; Subsection 16(1) - the applicant's date of first use; non-distinctiveness - the date of filing of the opposition [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.)].

Mr. Shackell, the President of the applicant, attests that the applicant has continuously used the mark CANADA COUNTRY with respect to shirts, t-shirts, polo shirts, sweaters, hats and caps and the operation of a retail business providing embroidery and screen-printing services since at least as early as September 1993. He provides a copy of a 1994 brochure that includes an article that describes some of the wares in the applicant's CANADA COUNTRY CANADA line and some of the applicant's customers. The mark is said to be used directly on clothing and on labels for the clothing, in brochures and in advertising the wares and services. As exhibit C, Mr. Shackell provides a label bearing the mark that he states is affixed to each item sold under the CANADA COUNTRY line. Mr. Shackell explains the applicant's normal course of trade and provides copies of invoices regarding sales of CANADA COUNTRY clothing dated November 29, 1993, April 24, 1995, April 17, 1996 and June 26, 1996 (exhibits G and H). In addition, he provides a copy of a sales agent's order form relating to CANADA COUNTRY garments dated September 21, 1993 (exhibit F). The invoice dated November 29, 1993 is said to relate to the September 21, 1993 order.

The applicant's approximate annual revenues for wares and services sold in association with the CANADA COUNTRY trade-mark were as follows: 1993 - \$11,000; 1994 - \$25,000; 1995 - \$5,000; 1996 - \$16,000. Several thousand dollars were spent on advertising in 1994, but the applicant has reduced its expenditures since that time because of the uncertainty created by these proceedings.

Mr. Shackell explains that the opponent's mode of business with respect to the CANADA

COUNTRY line involves the use of sales agents. The opponent delivers embroidered garments bearing the CANADA COUNTRY label to sales agents, which the agents then use to solicit orders. In addition, the opponent has a showroom where sales are made. The opponent also provides embroidery and screen-printing services to others for marking garments already owned by others under the trade-mark COUNTRY CANADA.

Concerning the applicant's services, I note the recent Federal Court of Appeal decision in *Sim & McBurney v. Gesco Industries, Inc. and The Registrar of Trade-marks* (A-866-97, October 26, 2000), where the Court held that it does not matter whether services are independently offered to the public or are ancillary or incidental to the sale of wares.

In his March 13, 1996 affidavit, Peter Raju, the President of the opponent, attests that his company has continuously used the trade-mark KID'S COUNTRY CANADA & Design, which is the subject of registration No. TMA 420,037, in Canada since at least as early as January 1992 in association with wristwatches, writing instruments, stationery, eating and drinking utensils, novelty, promotional and souvenir items namely, key chains, coffee mugs, cups, key rings, mugs, pennants, pens, pencils, patches, signs, spoons, note and memo pads, recreational, sporting and leisure equipment and accessories namely, luggage, back packs, bathing suits, baseball caps, bathing and swim caps, pullovers, sweat shirts, shirts, shorts, sweat pants, t-shirts, turtle neck shirts, tank tops, tube tops, toys, namely, board games, miniature or model automobile and aircraft and stuffed animals, and the services of the operation of a manufacturing and wholesale distribution business dealing with gift, novelty and souvenir items. However, as pointed out by the opponent in its written argument, registration No. TMA 420,037 has been recently amended pursuant to Section 45 proceedings and presently covers only the following wares and services:

**Wristwatches, writing instruments, stationery, eating and drinking utensils, novelty, promotional and souvenir items namely, key chains, coffee mugs, cups, key rings, mugs, pens, pencils; recreational, sporting and leisure equipment and accessories namely, luggage, back packs, carry all bags, towels; clothing and wearing apparel namely, belts, baseball caps, sweat shirts, shirts, t-shirts; toys, namely, miniature or model automobile and aircraft and stuffed animals.
Operation of a wholesale distribution business dealing with gift, novelty and souvenir items.**

The KID'S COUNTRY CANADA & Design mark is said to be used directly on clothing, on hang tags and on the packaging in which some of the goods are sold. Mr. Raju's exhibit E

shows use of the mark on a pencil sharpener and on a money bank, but I note that such wares are neither covered by the registration nor included in the list of wares that Mr. Raju has stated have been continuously sold in association with the mark. As exhibit F, Mr. Raju attaches copies of invoices showing sales of wares in association with the mark, the earliest of these being dated December 6, 1994. He states that the approximate annual revenue for wares sold and services provided in association with this mark are \$2.5 B 3 million. The approximate advertising costs incurred by the opponent for promoting this mark in the year prior to September 1995 were \$200,000.

With respect to the Section 16 ground of opposition, there is an initial burden on the opponent to evidence use of its trade-mark prior to the applicant's date of first use. As noted above, apart from the bald statement alleging use, the earliest evidence of use of KID'S COUNTRY CANADA & Design is the invoice dated December 6, 1994. Therefore, the opponent having failed to show use of its KID'S COUNTRY CANADA & Design mark prior to the material date, the Section 16 ground of opposition is dismissed.

In applying the test for confusion set forth in Subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Subsection 6(5) of the *Act*. Those factors specifically set out in Subsection 6(5) are: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances [*Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

Neither CANADA COUNTRY or KID'S COUNTRY CANADA & Design is very inherently distinctive. Both marks suggest a connection with Canada. The opponent's trade-mark has a greater degree of inherent distinctiveness as a result of its design features.

The extent to which the trade-marks had become known as of today's date would appear to favour the opponent. However, there is no indication as to the percentage of promotion or

advertising attributable to each of the various categories of wares marketed under the **KID'S COUNTRY CANADA & Design** mark. Such details would have been useful as some of the wares, such as toys, are totally unrelated to the wares in issue here. It is also difficult to tell which party is favoured by a consideration of the extent to which each has been made known as of June 5, 1995, because the opponent did not break its figures down so as to allow us to know the extent as of such date.

The length of time the marks have been in use favours the opponent if we accept the unsubstantiated, and unchallenged, statement that it began using its mark at least as early as January 1992.

The parties' services are, at most, only slightly related but their wares overlap with respect to clothing. The clientele of both parties could overlap.

Although **CANADA** is not a word that can be monopolised by anyone, the combination of **CANADA** with **COUNTRY** has not been shown to be a common occurrence in the marketplace. Orally the marks as a whole are highly similar, the leading word in the opponent's mark being a suggestive word. In ideas suggested, the marks share a certain degree of similarity. Visually, the marks display their greatest differences.

Another potential surrounding circumstance is the evidence of the opponent's use of the trade-mark **CANADIAN COUNTRY COLLECTION & Design**. That mark was not referred to anywhere in the statement of opposition and I do not consider its use to be particularly pertinent to the issues at hand.

I find that the applicant has satisfied the onus on it to show that there is no reasonable likelihood of confusion between the marks with respect to its services but has failed to do so with respect to its wares, as of both June 5, 1995 and today's date. I reach this split decision primarily in view of the differences between the parties' services as opposed to the similarity between the applicant's wares and the opponent's clothing. The applicant's mark is an inherently weak mark that has not been strengthened through significant use or advertising. It is reasonable to conclude that Canadian consumers, with an imperfect recollection of the opponent's **KID'S COUNTRY CANADA & Design** trade-mark as

applied to children's clothing, upon seeing adult clothing bearing the trade-mark CANADA COUNTRY, might assume that the two categories of clothing share a common source. The grounds of opposition based on registrability and distinctiveness therefore succeed in part and I am issuing a split decision, under the authority set out in *Produits MJnagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH*, 10 C.P.R. (3d) 492 (F.C.T.D.).

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act* and in view of the provisions of Subsection 38(8) of the *Act*, I refuse the application in so far as it covers wares and reject the opposition with respect to the applied for services.

DATED AT TORONTO, ONTARIO, THIS 27th DAY OF NOVEMBER, 2000.

Jill W. Bradbury
Hearing Officer
Trade-marks Opposition Board