



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

Citation: 2011 TMOB 260
Date of Decision: 2011-12-21

**IN THE MATTER OF AN OPPOSITION
by Bauer International Ltd., Bauer Nike
Hockey Inc. and Nike International Ltd. to
application No. 1,185,832 for the trade-
mark VAPOR filed by Brooks Sports, Inc.**

Introduction

[1] On July 28, 2003 Brooks Sports, Inc. (the Applicant) filed application No. 1,185,832 to register the trade-mark VAPOR (the Mark) based on use in Canada since September 1998. The application was amended to respond to an office action issued by an examiner such that the wares are described in the following terms: athletic footwear for walking and running (the Wares).

[2] The application was advertised on July 6, 2005 in the *Trade-marks Journal* for opposition purposes. Bauer International Ltd. (Bauer), Bauer Nike Hockey Inc (Nike Hockey) and Nike International Ltd. (Nike) (collectively referred to as the Opponent) filed a statement of opposition on February 6, 2006 which was forwarded by the Registrar on February 20, 2006 to the Applicant. The Applicant filed a counter statement on October 17, 2006. The Opponent sought leave three different times to amend its statement of opposition and such permission was granted on each occasion. I shall refer hereinafter to the latest amended statement of opposition in this file, dated March 8, 2010.

[3] The Opponent filed the affidavits of John F. Coburn III and Tasia Beros while the Applicant filed the affidavit of David Bohan. No reply evidence was filed and none of the deponents were cross-examined.

[4] Only the Applicant filed written submissions. A hearing was scheduled but was not held at the request of the parties.

The Grounds of Opposition

[5] The grounds of opposition pleaded by the Opponent are:

1. The Application does not comply with the requirements of s. 30(i) of the *Trade-marks Act*, R.S.C. 1985 c. T-13 (the Act) in that the Applicant could not have been satisfied that it is or was entitled to use the Mark in Canada in association with the Wares in view of the Opponent's prior use (as registered owner and licensee) and registration of the identical mark VAPOR for the same class of goods;
2. The Mark is not registrable pursuant to s. 12(1)(d) of the Act as it is confusing with Nike's registered trade-mark VAPOR registration number TMA518,051 in association with "back packs; sports articles and replacement parts therefor, namely, hockey skates, hockey sticks, hockey stick shafts, hockey stick blades, sports bags specifically designed to carry hockey equipment, hockey shoulder pads, hockey elbow pads, hockey gloves, hockey pants comprising body protective padding and guards, hockey shin guards" (the Nike's wares);
3. The Applicant is not the person entitled to registration of the Mark, pursuant to the provisions of s. 16(1)(a) of the Act, because at the date of first use of the Mark by the Applicant to be September 1998 it was confusing with the trade-mark VAPOR previously used in Canada by the Opponent in association with the Nike's wares and on athletic footwear namely running shoes;
4. Pursuant to s. 38(2)(d) and s. 2 of the Act, the Mark is not distinctive, does not actually distinguish nor is it adapted so to distinguish the Wares from those of the Opponent nor will it be adapted to distinguish the Wares from those of the Opponent used in association with the trade-mark VAPOR. The trade-mark VAPOR is distinctive of the registered owner of TMA518,051.

Legal Onus and Burden of Proof in Trade-marks Opposition Proceeding

[6] The legal onus is upon the Applicant to show that its application complies with the provisions of the Act, but there is however 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) and *Wrangler Apparel Corp. v. The Timberland Company* [2005] F.C. 722].

Relevant Dates

[7] The relevant date for the analysis of each ground of opposition varies depending on the ground of opposition to be assessed:

- Non-compliance with the requirements of s. 30 of the Act: the filing date of the application (July 28, 2003);
- Registrability of the Mark under s. 12(1)(d) of the Act: the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.)];
- Entitlement to the registration of the Mark, where the application is based on use: the date of first use alleged in the application (September 1998) [see s. 16(1) of the Act];
- Distinctiveness of the Mark: the filing date of the statement of opposition (February 6, 2006) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

Section 30 Ground of Opposition

[8] The first ground of opposition, as drafted, is not a proper ground of opposition. Section 30(i) of the Act only requires the Applicant to declare itself satisfied that it is entitled to use the Mark in Canada. Such a statement is included in the application. One may rely on s. 30(i) in specific cases such as where fraud by the Applicant is alleged [see *Sapodilla Co. Ltd. v. Bristol Myers Co.* (1974) 15 C.P.R. (2d) 152 (T.M.O.B.)]. There is

no allegation of that nature in the statement of opposition or any evidence in the record to that effect.

[9] Under these circumstances, the first ground of opposition is therefore dismissed.

Entitlement

[10] In order to meet its initial burden under this ground of opposition, The Opponent must show that it had used the trade-mark VAPOR in Canada within the meaning of s. 4 of the Act prior to September 1998 and that it had not abandoned such use on July 6, 2005[see s. 16(5) of the Act]. I should point out that the ground of opposition, as pleaded, is limited to prior use of the trade-mark VAPOR. There is no allegation in the statement of opposition that such trade-mark was made known by the Opponent in Canada prior to the relevant date.

[11] Ms. Beros is the Opponent's Director Legal Affairs for Nike Bauer Hockey Inc. (Nike Bauer). I note that such entity is not a party to this opposition. Throughout her affidavit reference is made to Nike Bauer. However Mr. Coburn III, Assistant Secretary of Nike makes reference to Nike Hockey but there is no mention of Nike Bauer.

[12] I should point out that I am using in this decision the defined terms Nike, Nike Hockey, Bauer and Nike Bauer as defined herein. These defined terms may not have been used by some of the deponents but I have made the appropriate adjustments so that there is no confusion in the use of these defined terms throughout my decision. I shall try to sort out hereinafter the different corporations mentioned in these affidavits as well as the entities referred to in the documentation filed by the deponents. Any inconsistencies or ambiguities shall be resolved against the Opponent.

[13] The statement of opposition, in general, makes reference to some of the specific entities that make up the Opponent by using defined terms. However under this ground of opposition it simply makes reference to "opponent". I am prepared to accept as relevant any evidence of use of the trade-mark VAPOR within the meaning of s. 4 as long as such use is from any of the entities grouped under the defined term Opponent, either as the

owner of the trade-mark VAPOR in Canada, or as an authorized licensee, if such use occurred prior to the relevant date. In any event there is no evidence in the affidavits of Mr. Coburn III and Ms. Beros that s. 50 of the Act has been complied with. Finally, any prior use by a third party cannot form the basis of the ground of opposition under entitlement [see *CTV Ltd. v. InterMedia Vibe Holdings LLC* (2010), 88 C.P.R. (4th) 188 (T.M.O.B.)].

[14] Mr. Coburn III states that Nike was founded in 1972. He alleges that Nike Hockey is a licensee and leading manufacturer of hockey equipment and apparel and a wholly-owned subsidiary of Nike. There is no identification of the trade-mark(s) licensed; nor is there information as to when such license would have been granted and if the license agreement provides for quality control of the characteristics of the wares sold under license.

[15] Mr. Coburn III alleges that in Canada “Nike’s reputation as a leading provider of athletic footwear has been built through the use of the trade-mark VAPOR in advertising, and foremost, by placing VAPOR-based trade-marks on Nike’s athletic footwear. The VAPOR trade-mark currently appears in Canada at point of sale, in advertisements, at exhibitions, on promotional materials, at high profile events which Nike sponsors, and in media advertising such as newspapers and magazines”(my underline). Exhibit C filed by Mr. Coburn III to support such allegation appears to be extracts of catalogues. For those extracts filed bearing a date, the date specified is always subsequent to the date of first use alleged by the Applicant in its application.

[16] There is no information on the extent of the distribution in Canada of this material. In any event mere distribution of catalogues does not equate to the use of the trade-marks appearing in the catalogues within the meaning of s. 4 of the Act [see *Spy Optic Inc. v. YM Inc.* (2008), 70 C.P.R. (4th) 125 (T.M.O.B.)].

[17] Mr. Coburn III alleges that “...some of the world’s most accomplished and well-known athletes currently use Nike VAPOR products” (my underline). Even with the filing of a picture of tennis player Roger Federer associated with the trade-mark VAPOR such evidence does not constitute use of a trade-mark in Canada within the meaning of s.

4 of the Act at any date, let alone at a date earlier than the date of first use alleged by the Applicant in its application.

[18] Mr. Coburn III makes reference to the trade-mark VAPOR being "...firmly associated with many of the Bauer/Nike hockey products sold throughout Canada." He filed what has been identified as "sample promotional material and advertisements of products bearing the trade-mark VAPOR".

[19] The expression "Bauer/Nike" is nowhere defined in his affidavit. As it appears from hereinabove and as it will appear from hereinafter there are numerous entities mentioned in the Coburn III and Beros affidavits having as a component in their corporate names the words "Nike", "Bauer" or a combination of both. Moreover we have no information as to when, how and where such material was distributed. Also when a date appears on the material filed it is always subsequent to the alleged date of first use mentioned in the Applicant's application.

[20] Mr. Coburn III refers to Nike's website as a means to advertise products bearing the trade-mark VAPOR. There is no information if such material has been available to Canadians; if it has been, the question would become since when, as what has been filed bears a date of May 8, 2007.

[21] Finally Mr. Coburn III provides sales figures taken from Nike's annual report dated 2006. The sales figures are not broken down by trade-mark or by country, even though Mr. Coburn III does state in his affidavit that Canada is part of "Americas region". Even assuming that the sales figures mentioned under "Americas Region" would be solely for Canada and only for the trade-mark VAPOR, which appears not to be the case, they are for a period of time subsequent to the relevant date (2004, 2005 and 2006).

[22] As it appears from the above, there is no evidence showing that there has been a transfer of property of products of any kind, either footwear or hockey equipment, bearing the trade-mark VAPOR at some point in time prior to September 1998 in Canada from Nike or an authorized licensee to a customer. Therefore I am unable to conclude

that there has been use of the trade-mark VAPOR in Canada in association with such wares by the Opponent within the meaning of s. 4 of the Act prior to the relevant date.

[23] Could the content of the Beros affidavit be of any help? I am afraid not. As indicated earlier Ms. Beros identified herself as Director, Legal Affairs for Nike Bauer Hockey Inc. There is no such entity identified in the statement of opposition, nor in the affidavit of Mr. Coburn III. I am not prepared to consider this as a simple typo. There are too many entities mentioned in the statement of opposition, the affidavits and the exhibits filed to simply conclude that it is a typo. It could very well be a different entity than those mentioned in the aforesaid documents. Even if I treat this as a typo, the evidence contained in Ms. Beros' affidavit would not be sufficient for the Opponent to meet its initial burden under this ground of opposition for the reasons hereinafter described.

[24] Ms. Beros does state that Nike has granted to Nike Bauer an exclusive license to sell ice hockey and roller hockey products using the trade-mark VAPOR in Canada. Again we have no details of such license: when it was concluded and how Nike controls the characteristics of the wares sold under license.

[25] In order to support an allegation that products bearing the trade-mark VAPOR are sold in Canada she filed samples of catalogues wherein hockey equipment is illustrated. She further states that Nike Bauer launched its 1998 ice hockey catalogue featuring the trade-mark VAPOR to the Canadian public prior to the filing date of the present application. To support such contention she refers to the final page of the 1998 ice hockey catalogue wherein Bauer Inc. is identified as the copyright owner for the catalogue in 1997. She alleges that the 1998 ice hockey catalogue "...was distributed by Bauer Nike sales representatives to retailers for resale in Canada". Who is Bauer Inc.? What is meant by "for resale in Canada": the VAPOR products or the catalogues? We have no information on Bauer Inc. and even more importantly distribution of catalogues does not constitute evidence of use of a trade-mark [see *Spy Optic Inc.*, *op.cit.*]. Finally neither Bauer nor Bauer Nike is identified by Mr. Coburn III (who is Nike's representative) as Nike's licensee.

[26] Given all these deficiencies and ambiguities in the affidavits of Mr. Coburn III and Ms. Beros I conclude that the Opponent has not established any use of the trade-mark VAPOR in Canada prior to the relevant date of September 1998. Consequently, it has not met its initial burden of proof.

[27] Thus I dismiss the third ground of opposition.

Distinctiveness

[28] Under this ground of opposition the Opponent has the initial evidential burden to prove that its trade-mark VAPOR had become sufficiently known in Canada on February 6, 2006, the filing date of the statement of opposition, to negate any distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 and *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)]. Once this initial burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was not likely to create confusion with the Opponent's trade-mark VAPOR such that it was adapted at the relevant date to distinguish or actually distinguished throughout Canada the Wares from the Opponent's wares [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272].

[29] Is the evidence described under the ground of opposition of entitlement sufficient to negate the distinctiveness of the Applicant's Mark? In this regard, I refer to the first part of paragraph 33 of *Bojangles' International LLC, op.cit.*, as reproduced below:

[33] The following propositions summarize the relevant jurisprudence on distinctiveness where there is an allegation that a mark's reputation negates another mark's distinctiveness, as per s. 2 and para. 38(2)(d) of the Act :

- The evidential burden lies on the party claiming that the reputation of its mark prevents the other party's mark from being distinctive;
- However, a burden remains on the applicant for the registration of the trade-mark to prove that its mark is distinctive;
- A mark should be known in Canada to some extent at least to negate another mark's distinctiveness;
- Alternatively, a mark could negate another mark's distinctiveness if it is well known in a specific area of Canada;
- A foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather, it should present clear evidence to that effect;

- The reputation of the mark can be proven by any means, and is not restricted to the specific means listed in section 5 of the Act, and it is for the decision-maker to weigh the evidence on a case-by-case basis.

[30] The Opponent's evidence does not enable me to conclude that Nike's trade-mark VAPOR was known to some extent in Canada. Even though under this ground of opposition there is no need for the Opponent to establish use of its trade-mark prior to the relevant date, still the Opponent has to show that Nike's trade-mark VAPOR was known to some extent in Canada prior to February 6, 2006. Even taking into consideration any evidence excluded in the analysis of entitlement such as Nike's sales figures for the years 2004, 2005 and 2006, nonetheless we have no indication of sales made in Canada for products bearing the trade-mark VAPOR. With respect to the advertising material not considered under entitlement for the reason that it did not predate the relevant date under entitlement, I have no information on the extent of its distribution in Canada. The catalogues attached to Ms. Beros' affidavit appear to have been issued by a third party, namely Bauer Inc.

[31] Finally, in these catalogues there is a note that any trade-mark followed by “*” means a trade-mark of Bauer Inc. The trade-mark VAPOR is followed by such symbol. Therefore the public is informed in these catalogues that the trade-mark VAPOR is owned by a third party: Bauer Inc. Clearly those catalogues raise a further concern: is the trade-mark VAPOR distinctive of Nike? This proceeding is not the appropriate forum to discuss this issue. However it cannot be said that the Opponent's evidence establishes, on a balance of probabilities, that the trade-mark VAPOR was distinctive of Nike at the relevant date.

[32] Consequently I also dismiss the last ground of opposition on the basis that the Opponent has not met its initial burden.

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

[33] In order to meet its initial burden under this ground of opposition, the Opponent can simply rely on its certificate of registration. The Opponent did not file a copy of

certificate of registration TMA518,051 alleged under this ground of opposition. However the Registrar has discretion to verify the register to check if in fact Nike is the registered owner of the registration cited in the statement of opposition and if so, if it is still in good standing [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats Ltée. v. Manu Foods Ltd.*, 11C.P.R. (3d) 410].

[34] I checked the register and I confirm that it is extant. The current owner is Nike and it covers the Nike's wares. The Applicant, in its written argument, asserts that the evidence in the record shows that the Applicant's use of the Mark predates any evidence of use of the trade-mark VAPOR filed by the Opponent; consequently it asserts that such seniority would render this ground of opposition invalid. No case law has been filed to support such position. In any event the relevant date to assess this ground of opposition is the date of the Registrar's decision. As stated above, under the ground of registrability, the Opponent does not have to establish any use of its registered trade-mark. The fact that the registration is still in full force and effect on this date is sufficient to conclude that the Opponent has met its initial burden under this ground of opposition.

[35] Consequently the Applicant has the burden to prove, on a balance of probabilities, that the use of the Mark in association with the Wares is not likely to cause confusion with Nike's registered trade-mark VAPOR. The test to determine this issue is set out in s. 6(2) of the Act. I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[36] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight. In its recent judgment in *Masterpiece Inc. v. Alavida Lifestyles Inc. et al.* 2011 S.C.C. 27 the Supreme Court of Canada has clearly indicated that the most important factor amongst those listed under s. 6(5) of the Act is often the degree of resemblance between the marks. In this case the parties' marks are identical.

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

[37] The Applicant argues that the word “vapor” is suggestive as it is a common word that connotes something difficult to grasp. The word “vapor” is indeed a common word in the English language. However I fail to see any relationship between such word and the Opponent’s wares enumerated above or with the Wares. I consider the Mark and Nike’s trade-mark VAPOR to have a certain degree of inherent distinctiveness when used in association with the parties’ respective wares.

[38] The distinctiveness of a trade-mark may be enhanced through use or promotion in Canada. Again the Opponent’s evidence described under the entitlement and distinctiveness grounds of opposition does not enable me to reach a conclusion that Nike’s trade-mark VAPOR was known to any significant extent in Canada.

[39] The Applicant filed the affidavit of David Bohan. He is the Chief Operating Officer of the Applicant. He states that the Applicant has been selling athletic footwear for walking and running in association with the Mark since at least as early as September 1998 to its Canadian distributor. For the period between 2001 and 2007 the Applicant has sold in excess of 105,000 pairs of athletic footwear bearing the Mark. He filed an invoice issued by its distributor to a retail store to illustrate the sale of such wares.

[40] Mr. Bohan states that the promotion of the Wares bearing the Mark in Canada is done primarily through catalogues and via the Applicant’s website. He filed representative pages of the 1998 and 2003 catalogues on which is illustrated athletic footwear promoted in association with the Mark. He also filed a copy of a page from the Applicant’s Canadian website on which is promoted athletic footwear in association with the Mark. However we have no information on the extent of the distribution of these catalogues and the number of Canadians who saw that particular page of the Applicant’s website.

[41] On the basis of the sales figures of the Wares in Canada provided by Mr. Bohan I conclude that the Mark is known to some extent in Canada. In view of the lack of similar evidence by the Opponent I conclude that s. 6(5)(a) of the Act favours the Applicant.

Length of time the trade-marks have been in use

[42] Even though I have an allegation of use of the Mark by the Applicant since September 1998 I do not have actual proof. As stated earlier distribution of catalogues does not constitute evidence of use of a trade-mark. Thus the filing of an extract of the 1998 catalogue by the Applicant is not sufficient. Mr. Bohan filed an invoice dated August 27, 2003 illustrating the sale of athletic footwear in association with the Mark.

[43] As for the Opponent there is no evidence of sales of any of the Nike's wares in association with the trade-mark VAPOR. The registration was issued on the basis of a declaration of use filed on September 28, 1999. Only a *de minimis* use of the VAPOR trade-mark in association with the wares covered by such registration can be inferred from the filing of the declaration of use [see *Entre Computer Centers Inc. v. Global Upholstery Co.* (1991), 40 C.P.R. (3d) 427 (T.M.O.B)].

[44] If one accepts the date of first use claimed by the parties with respect to their respective trade-marks it does not particularly favour either party. I do not consider that it would be a determining factor except that I note that an argument could be made that the marks would have co-existed during more than 10 years. I will discuss in more detail this situation later.

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

[45] The Opponent's registration covers back packs, hockey equipment and sport bags to carry hockey equipment while the Wares as defined hereinabove are athletic footwear for walking and running. These wares fall in the general category of sporting goods. The parties' wares are used to perform sport activities. Although different, they are sport activities: hockey walking and running. Therefore there is some similarity in the nature of the parties' wares.

[46] In the absence of evidence on the nature of the parties' respective channels of trade, because of the similarity in the nature of the parties' wares, I will assume that they travel through the same channels of trade. In fact it is not hard to imagine a sporting goods store offering for sale hockey equipment and running shoes.

[47] Consequently those two factors favour the Opponent.

Degree of resemblance

[48] The marks are identical and thus this factor favours the Opponent.

Additional surrounding circumstance

[49] The Applicant argues that the Mark has co-existed with the Opponent's registration for more than 10 years without any evidence of actual confusion. The test is the likelihood of confusion. It is not necessary to provide evidence of actual confusion. However, the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 stated that "...an adverse inference *may* be drawn from the lack of such evidence in circumstances where it would readily be available if the allegation of likely confusion was justified". No evidence of actual confusion has been provided by the Opponent. However as discussed above I have no clear evidence of the extent of the sales of Nike's wares in association with the trade-mark VAPOR in Canada during that period of time. Lack of substantial sales or use of the parties' trade-marks in different regions of Canada might explain such situation.

[50] From this analysis I conclude that the Applicant has not discharged its onus to show, on a balance of probabilities, that the Mark is not likely to cause confusion with Nike's registered trade-mark VAPOR. Consequently the second ground of opposition is maintained.

Disposition

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

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office