

IN THE MATTER OF AN OPPOSITION by
Cornell Trading Ltd. to application No. 711,186
for the trade-mark CACHE CREEK filed by
Saan Stores Ltd.

On August 20, 1992, Saan Stores Ltd. filed an application to register the trade-mark CACHE CREEK based on intended use in Canada in association with

clothing namely, sweaters, tops, blouses, shirts, pants, slacks, jackets, coats, jumpsuits, rompers, short sets, shorts, skirts, dresses, skirt sets, suits and T-shirts.

The subject application was advertised for opposition purposes in the Trade-marks Journal issue dated April 14, 1993. Cornell Trading Ltd. filed a statement of opposition on June 11, 1993, a copy of which was forwarded to the applicant on August 4, 1993. The applicant responded by filing and serving a counter statement.

The opponent's evidence consists of the affidavit of David Hynes, Comptroller of the opponent company. The applicant's evidence consists of the affidavit of Lionel Walz, a manager with the applicant company, and the affidavit of Catherine E. Burnside. Ms. Burnside's affidavit serves to introduce into evidence the state of the trade-marks register. Both parties filed a written argument and both were represented at an oral hearing.

Each of the grounds of opposition pleaded turns on the issue of confusion between the applied for mark CACHE CREEK and one, or both, of the opponent's marks LA CACHE. In this regard the opponent is the owner of two registrations for the mark LA CACHE, one registration covering the operation of a retail store dealing in wearing apparel and other merchandise such as home furnishing, dish ware, objects d'art and gift items; the other registration covers ladies' and men's apparel and other merchandise including home furnishing, dish ware, objects d'art and gift items. The material times to consider the issue of confusion are the date of my decision with respect to ground of

opposition based on non-registrability of the mark pursuant to Section 12(1)(d) of the Trade-marks Act; the date of filing the application with respect to the ground alleging non-entitlement to registration pursuant to Section 16(3)(a); and the date that the opposition commenced with respect to the ground alleging non-distinctiveness of the applied for mark. In the circumstances of this case, nothing turns on which material date is chosen to examine the issue of confusion. However, the opponent's case is strongest before the applicant began to use its mark CACHE CREEK and I will therefore consider the issue of confusion arising pursuant to Section 16(3)(a), that is, at the earliest material date. In view of the provisions of Sections 16(3) and 16(5) of the Act, it was incumbent on the opponent to evidence the use of its mark LA CACHE prior to the applicant's filing date and to show that its mark was not abandoned as of the applicant's date of advertisement (i.e. - April 14, 1993). The Hynes affidavit satisfies both of these requirements.

The test for confusion is one of first impression and imperfect recollection. The legal onus is on the applicant to show no reasonable likelihood of confusion. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the Act: 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; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (March 12, 1996, T-1530-94, yet unreported).

The opponent's mark LA CACHE as a whole possesses a relatively low degree of

inherent distinctiveness as the mark, in relation to the operation of a store, suggests a horde of valuable merchandise. Thus, the mark is to some extent laudatory of the opponent's wares and services. The applied for mark CACHE CREEK possesses a somewhat higher degree of inherent distinctiveness than the opponent's mark. The opponent's mark LA CACHE acquired a fair reputation in Canada in association with the operation of retail stores selling a variety of general merchandise. The stores have been operating under the mark LA CACHE since 1978 and sales through the stores were \$2.4 million in 1987 rising steadily to \$8.6 million in 1992. Advertising describes the opponent's stores as

“a treasure-trove filled with affordably priced housewares, table and bed linens, and clothing, graceful items gleamed from all over the world . . . every article in the inventory has a travel history . . .”

About 10% of sales represent merchandise bearing the mark LA CACHE, however, there is no evidence with respect to the amount of sales for clothing *per se* or specifically for clothing bearing the mark LA CACHE. Thus, I am unable to attribute any significant reputation to the opponent's mark for a store selling clothing or for clothing *per se*. Of course, the applicant's mark CACHE CREEK had not acquired any reputation in Canada as of the earliest material date (i.e.-August 20, 1992). The applicant commenced use of its mark in September 1993 and sales of clothing and footwear under its mark were about \$1.3 million in the period September 1, 1993 to October 31, 1994. Advertising expenditures for clothing and footwear under the mark CACHE CREEK was about \$130,000 for the same period. Further, the applicant, like the opponent, owns and operates the retail stores through which the applicant's wares are sold.

The length of time that the marks in issue have been in use favours the opponent as it has used its mark LA CACHE in association with clothing since 1975 and in association with its retail store services since 1978 while the applicant did not begin to

use its mark until September 1993. However, this factor weighs only slightly in the opponent's favour since there is no explicit evidence regarding the quantity of sales of clothing bearing the mark LA CACHE or sales of clothing through the opponent's retail stores operating under the mark LA CACHE. The parties' wares are of course essentially the same with respect to clothing and closely related with respect to the opponent's services namely the operation of a retail store selling, among other things, clothing.

There is a fair degree of resemblance between the parties' marks LA CACHE and CACHE CREEK visually and aurally as the component CACHE is a dominant element of each mark. However, the ideas suggested by the marks differ as the opponent's mark suggests a hiding place while the applied for mark suggests a hidden creek.

The applicant has submitted that the significance of any resemblance between the marks in issue is mitigated by the state of the register evidence introduced by means of the Burnside affidavit. Of course, state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R.(3d) 432 (TMOB) and *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). See also *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located. In the instant case, too few registrations and applications have been evidenced to permit me to make any inferences regarding the state of the marketplace. In any event, the search conducted in this case is deficient as it provides incomplete particulars of the registrations and applications located. For the preferred manner of proving state of the register evidence see *Quebec Maple Products v. Stafford Foods Ltd.* (1988), 20 C.P.R.(ed) 404 at 408 (TMOB). The applicant has, however, evidenced at

least some use of the marks CACHÉ and CACHE POCKET by third parties in association with articles of clothing: see Exhibits R and S of Mr. Walz' affidavit.

I am permitted to have regard to matters arising after the material date to the extent that I may draw inferences as to the situation existing as of the material date [see *Speedo Knitting Mills Pty. Ltd. v. Beaver Knitwear (1975) Ltd.* (1985), C.P.R.(3d) 176 at pp. 184-185 (TMOB)] and I have therefore had regard to the fact that there is no evidence of instances of actual confusion despite contemporaneous use of the marks since 1993. Ordinarily such circumstances would favour the applicant, however, the lack of evidence of actual confusion is not too surprising in this particular case as the applicant and the opponent sell their wares solely through their own retail outlets.

Considering all of the factors discussed the above, and keeping in mind that the test for confusion is one of first impression and imperfect recollection, I find that the applied for mark CACHE CREEK for clothing and footwear is not confusing with the opponent's mark LA CACHE used and registered in association with, among other things, clothing and clothing store services. In arriving at this conclusion, I have had particular regard to the relatively low inherent distinctiveness of the parties' marks as well as to the lack of evidence of acquired distinctiveness of the mark LA CACHE in connection with clothing or the retail sale of clothing; to the different ideas suggested by the marks in issue; to the evidence of at least some use by third parties of the component CACHE for trade-marks for clothing; and to the evidence of the actual businesses conducted by the parties [in this regard see *McDonald's Corporation v. Coffee Hut Stores Ltd.* (Court. No. A-278-94; June 5, 1996, F.C.A.)].

In view of the above, the opponent's opposition is rejected.

I would add that the balance of probabilities respecting the issue of confusion as determined at the earliest material date, and therefore the outcome of this case, might well have favoured the opponent had it established a significant reputation for its mark in connection with clothing or with the operation of a store selling clothing.

DATED AT HULL, QUEBEC, THIS 18th DAY OF September, 1996.

Myer Herzig,
Member,
Trade-marks Opposition Board