

**IN THE MATTER OF AN OPPOSITION
by IP Holdings LLC to an application to
extend the statement of wares of registration
No. 310,225 (application No. 526,531) for the
trade-mark BONGO filed by Mel Adler**

[1] Registration No. 310,225 for the trade-mark BONGO issued to Le Mans Manufacturing Limited on January 10, 1986. The registration covers the following wares:

men's and boy's clothing, namely jeans, coats, jackets, trousers, vests, waist coats, pea-jackets, and T-shirts; and ladies and girls clothing, namely dresses, skirts, blouses, jeans, pants, coats, overcoats, pea-jackets and T-shirts.

The registration was subsequently assigned to Mel Adler, the current owner of record.

[2] On February 4, 2002, Mel Adler filed an application to extend the statement of wares in his registration to include:

footwear, namely shoes, boots, sandals, slippers and clogs; luggage and accessories, namely belts.

The application is based on proposed use in Canada and was advertised for opposition purposes on October 22, 2003.

[3] The opponent, IP Holdings LLC (“IP Holdings”), filed a statement of opposition on March 19, 2004, a copy of which was forwarded to the applicant on April 27, 2004. The first ground of opposition is that the applicant’s application does not conform to the requirements of Section 30(a) of the Trade-marks Act because the applicant’s statement of wares is not in ordinary commercial terms. The second ground is that the applicant’s application does not

conform to the requirements of Section 30(e) of the Act because the application does not contain a statement that the applicant intends to use his mark in Canada. The third ground is that the applicant's application does not conform to the requirements of Section 30(i) of the Act as the applicant could not have been satisfied that he was the person entitled to registration because he was aware of the opponent's trade-mark BONGO.

[4] The fourth ground of opposition is that the applicant is not the person entitled to registration because, as of the applicant's filing date, the applied for mark was confusing with the trade-mark BONGO previously used in Canada by the opponent in association with footwear since at least as early as 1993. The fifth ground is that the applicant's trade-mark is not distinctive in view of the opponent's use of its mark BONGO.

[5] The applicant filed and served a counter statement. The opponent's evidence consists of the affidavit of Neil Cole. Mr. Cole was cross-examined on his affidavit and the transcript of that cross-examination forms part of the evidence of record. The opponent delayed in timely providing replies to the undertakings given during the cross-examination of Mr. Cole. Consequently, the applicant was granted leave on August 21, 2006 to file the affidavit of Elias Elias which serves to enter those replies into evidence.

[6] As its evidence, the applicant submitted the affidavits of Mel Adler, Steven Kennedy, Oana Chirila, Tyler Hargreaves and Robyn Gurofsky. All five were cross-examined on their affidavits and the transcripts of those cross-examinations and the replies to undertakings given

form part of the record of this proceeding. Only the applicant filed a written argument and an oral hearing was conducted on November 19, 2009 at which only the applicant was represented.

OPPONENT'S EVIDENCE

In his affidavit, Mr. Cole identifies himself as Chairman of the Board, President and Chief Executive Officer of Iconix Brand Group, Inc. ("Iconix"), the parent company of the opponent IP Holdings. According to Mr. Cole, IP Holdings licenses use of the trade-mark BONGO for footwear to third parties in Canada. He states that the opponent acquired ownership of that mark in August of 2002 from Michael Caruso & Co. ("Caruso") which had previously used the mark in Canada since 1993.

On cross-examination, Mr. Cole stated that Caruso sold the trade-mark BONGO to Candies, Inc. ("Candie's") in 1998 but that this was an asset sale, not a sale of the company. He further stated that IP Holdings was formed in 2002 and that IP Holdings purchased the assets of Caruso from Candie's which is presumably the transaction referred to above that took place in August of 2002. During the cross-examination, the opponent's trade-mark agent stated that there was an assignment of the trade-mark BONGO from Caruso to IP Holdings on August 19, 2002 and that IP Holdings then gave a license back to Candie's on August 20, 2002 (see page 34 of the Cole transcript).

Mr. Cole was asked to provide a copy of the assignment or other transaction document

covering the purported August 2002 transfer of the trade-mark BONGO and he undertook to do so. However, no such document was provided. Thus, the opponent has failed to clearly evidence and establish that it is the owner of the mark.

The first three exhibits appended to Mr. Cole's affidavit are photographs of BONGO footwear and an in-store display which he states are typical of the manner of use of the mark in Canada. However, on cross-examination, it became apparent that Mr. Cole had little or no personal knowledge of any activities in Canada regarding the trade-mark BONGO. He was not aware who owned the mark in Canada or which entities had been licensed to use the mark in Canada. He did not know the dates of the photographic evidence comprising his first three exhibits, whether they were taken in Canada or even who provided them to him.

In paragraph five of his affidavit, Mr. Cole states that BONGO footwear has been displayed and sold by various retailers in Canada since 1993. However, on cross-examination, he admitted that he had no idea who provided him with that information. He was unaware of where sales had taken place in Canada (see page 38 of the Cole transcript) and had not personally entered a Canadian store selling BONGO footwear for at least five years.

Appended as Exhibit D to Mr. Cole's affidavit are copies of what he says are representative invoices covering sales of BONGO footwear to retailers in Canada. However, on cross-examination, he conceded that these documents are not invoices at all but rather relate to "royalty" or "commission" payments owing to Candies. Thus, the Exhibit D

documents do not evidence the use of the trade-mark BONGO in that they do not show the mark having been brought to the attention of the purchaser at the time the wares were transferred.

On cross-examination, Mr. Cole stated that Iconix is in the business of licensing certain trade-marks including CANDIE'S and BONGO on footwear, apparel and fashion products and that licensing is effected through its subsidiary IP Holdings. He further stated that a licensee of the opponent was Kenneth Cole Productions, Inc. ("KCP"), a U. S. company based in New York City. In reply to the third undertaking, he provided a photocopy of a license agreement dated May 1, 2003 between IP Holdings and Candie's as licensors and KCP as licensee. However, as previously noted, Mr. Cole has failed to clearly evidence that IP Holdings was even the owner of the mark BONGO at that time.

On cross-examination, Mr. Cole further stated that during the period 1998 to 2003, Candie's or one of its subsidiaries or affiliates owned the trade-mark BONGO and that one of its subsidiaries was selling BONGO footwear into Canada. Asked to provide written licenses covering that period, the only one provided was the May 1, 2003 license noted above. Mr. Cole also referred to the distribution of BONGO footwear into Canada by Bata. However, when he was asked to produce a copy of the license with Bata, none was provided.

APPLICANT'S EVIDENCE

In his affidavit, Mr. Adler identifies himself as the applicant and the owner of

registration No. 526,531. He states that sales of BONGO clothing from 1986-1995 were made by his predecessor-in-title, Le Mans Manufacturing Limited (“Le Mans”), through various retail chains such as Sears, Metropolitan and Zellers. On January 1, 1995, the trade-mark was assigned from Le Mans to Mr. Adler and sales of BONGO clothing increased in subsequent years.

On May 1, 2000, Mr. Adler entered into a license agreement with YM Sales Inc. (“YM Sales”) which owns or controls 600 retail stores in Canada including the Stitches chain. Sales of BONGO clothing in Canada were subsequently made exclusively through Stitches stores and the annual sales volume exceeded \$20 million wholesale. Mr. Adler states that, after he entered into the license with YM Sales, he worked for that company in a consulting capacity. According to Mr. Adler, at least 70% of the inventory displayed in any given Stitches store bears the BONGO trade-mark.

Although Mr. Adler was cross-examined on his affidavit, his testimony was not seriously challenged. He detailed how he oversaw the quality of goods sold by YM Sales under their license with him. Furthermore, he provided more detail about the corporate structure in place prior to the license with YM Sales.

The applicant’s remaining four affidavits all have the same general format. Each affiant visited one or two Stitches stores in a major Canadian city and purchased three different BONGO clothing items. Each affiant confirmed that the majority of goods available

for sale in each store were BONGO-branded goods.

GROUNDS OF OPPOSITION

The first ground does not raise a proper ground of opposition. The opponent failed to include any supporting allegations of fact indicating why the applicant's statement of wares was not in ordinary commercial terms. Thus, the first ground is unsuccessful.

The second ground simply states that the applicant's application does not include the statement required by Section 30(e) of the Act, namely that he intends to use his mark in Canada. However, the application does contain such a statement and therefore the second ground is also unsuccessful.

The third ground does not raise a proper ground of opposition. The opponent has failed to include sufficient allegations of fact to support a ground of non-conformance with the provisions of Section 30(i) of the Act. The applicant's awareness of the opponent's mark and the opponent's use of that mark do not, by themselves, preclude the applicant from truthfully making the statement required by Section 30(i). Thus, the third ground is also unsuccessful.

As for the fourth ground of opposition, there was an initial burden on the opponent to evidence use of its mark prior to the applicant's filing date and non-abandonment of that mark as of the applicant's advertisement date. The Cole affidavit is insufficient to meet this double burden. As discussed, the cross-examination of Mr. Cole revealed many weaknesses and

deficiencies in his evidence. In particular, Mr. Cole was unable to establish ownership of the mark BONGO in the hands of IP Holdings at any relevant time. Furthermore, he could not establish the source of the photographs appended as exhibits to his affidavit or whether or not they related at all to the Canadian market. The purported invoices appended as Exhibit D to his affidavit turned out not to be invoices at all.

It appears that there may well have been some sales of BONGO footwear into Canada by somebody at some time. But the opponent has failed to clearly show who made those sales and when and, if they were made under license, who was the licensor and owner of the mark. In short, the opponent has failed to clearly evidence use of the mark BONGO by itself or a proper licensee prior to the applicant's filing date of February 4, 2002. Furthermore, even if the evidence could be taken to have shown prior use by the opponent, given the deficiencies in that evidence, it is far from clear that the opponent had not abandoned the mark as of the applicant's advertisement date. Thus, the opponent has not met its initial evidential burdens and the fourth ground is also unsuccessful.

As for the fifth ground of opposition, the onus or legal burden is on the applicant to show that his mark is adapted to distinguish or actually distinguishes his wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - March 19, 2004):

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 Corporatio v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

In the present case, it was incumbent on the opponent to evidence use by it or its proper licensee of the mark BONGO with footwear in Canada. As discussed, the opponent's evidence fell short of establishing use of the mark by the opponent in Canada or by a licensed party that would accrue to the opponent's benefit. Thus, the opponent has not met its evidential burden and the fifth ground is also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT GATINEAU, QUEBEC, THIS 27th DAY OF NOVEMBER, 2009.

David J. Martin,
Member,
Trade Marks Opposition Board.