

**IN THE MATTER OF AN OPPOSITION by
88766 Canada Inc. to Application No. 1071676
for the Trade-mark EGO & Design filed by Ego
Sport Hungaria Kereskedelmi Korlatolt
Felelosségu Tarsasag, also trading as Ego Sport
Hungaria Kft.**

I The Pleadings

On August 18, 2000, Ego Sport Hungaria Kereskedelmi Korlatolt Felelosségu Tarsasag also trading as Ego Sport Hungaria Kft. (the “Applicant”) filed an application, subsequently amended, to register the following trade-mark:



(the “Mark”)

on the basis of proposed use in Canada, in association with bags, travelling bags, sports bags, athletic clothing, beachwear, casual clothing, children's clothing, baby clothes, rainwear, exercise clothes, maternity clothes, formal wear, undergarments, sports shoes (the “Wares”) and on the basis of use and registration in Hungary on March 04, 1997 under No. 142978 in association with the Wares. The application was advertised on September 18, 2002 in the Trade-marks Journal for opposition purposes.

88766 Canada Inc. (the “Opponent”) filed a statement of opposition which was sent on May 6, 2003 by the Registrar to the Applicant. The Applicant responded on September 8, 2003 with a counter statement denying essentially the allegations contained in the statement of opposition.

The Opponent filed two affidavits of Michèle Thibaudeau dated April 2, 2004 and April 8, 2004 as well as a certified copy of registration number TMA299050 for the trade-mark EGO. The

Applicant filed the affidavits of Sandor Toth and Meghan Dillon. On November 30, 2004, at the Opponent's request, the Registrar issued an order for the cross-examination of both of the Applicant's affiants. By letter dated June 9, 2005, the Applicant informed the Registrar that it decided not to make available its affiants. Consequently, as per the provisions of rule 44(5) of the Trade-marks Regulations 1996, those affidavits were returned to the Applicant, and as a result there is no evidence in the record filed by the Applicant.

The Opponent requested leave to amend its statement of opposition on November 19, 2004 and the Registrar granted such permission on March 2nd, 2005. Only the Applicant filed written submissions and a hearing was held at which only the Opponent was represented.

II Request for Leave to Further Amend the Statement of Opposition

On August 31, 2006, eight (8) days prior to the hearing, the Opponent requested permission to further amend its statement of opposition and if granted was willing to postpone the hearing to allow the Applicant to prepare itself to face the additional ground of opposition to be added. By decision rendered on September 7, 2006 I refused the amendment for the reasons communicated to the parties on that day. I may add that, as an additional reason for refusing such request, the Opponent did review its original proceeding in November 2004 when it sought leave to amend for the first time its statement of opposition. No reason was provided to the Registrar to explain why such further amendment, which appeared obvious to the Opponent prior to the hearing, was not part of the first request to amend its statement of opposition.

III The grounds of Opposition as per the Amended Statement of Opposition

In its statement of opposition as amended, the Opponent raises the following grounds of opposition:

- 1) Based on s. 38(2)(a) and 30 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the "Act") in so far as the registration and use abroad is concerned:
 - i. The Applicant did not use or duly registered as stated the Mark in association with those Wares;
 - ii. Alternatively or cumulatively, the Applicant abandoned in whole or in part the Mark by discontinued use;

- iii. The Applicant declared falsely that it was entitled to use the Mark in Canada in view of what is set forth hereinafter.

In so far as the portion of the application based on proposed use of the Mark in association with the Mark is concerned:

- 2) Based on s. 38(2)(a) of the Act the application does not comply to the provisions of s. 30 of the Act in that:
 - i. The Applicant had already used the mark in Canada in whole or in part;
 - ii. Alternatively or cumulatively, the Applicant never had the intention to use the Mark in Canada or abandoned it in whole or in part by discontinued use;
 - iii. The Applicant declared falsely that it was entitled to use the Mark in Canada in view of what is set forth hereinafter.
- 3) Based on s. 38(2)(b) and 12(1)(d) of the Act, The Mark is not registrable as it is confusing with the registered trade-marks:
 - i) EGO, registration TMA299050 owned by U L Canada Inc. in association with perfume;
 - ii) EGO, registration TMA343038 owned by Myrna Dudovitch Harrison in association with fashion magazines;
 - iii) EGO, registration TMA232047 owned by Brooklo Industries Ltd. in association with underwear.
- 4) Based on s. 38(2)(d) and 2 of the Act, the Mark is not distinctive of the Wares nor is it apt to distinguish them from, amongst others, those of the Opponent;
 - a) in view of the adoption, use, make known and registration of trade-marks and trade-names incorporating the word "EGO" in Canada for wares and services including:
 - i) IGO by Intergold in association with jewellery and clocks;
 - ii) EGO by Brooklo Industries Ltd. in association with underwear and clothing;
 - iii) EGO by Effigi Inc. in association with clothing and accessories;
 - iv) EGO by Myrna Dudovitch Harrison in association with fashion magazine;
 - v) EGO-EGO by Velo-City Cycle in association with clothing;
 - vi) EGO JAMA by Brooklo Industries Ltd. in association with clothing;

and the following trade-names:

- vii) EGO CONCEPT in association with hair dressing;
- viii) EGO JAMA in association with clothing;
- ix) EGO in association with bags and wrapping products;

- x) EGO FASHIONS in association with the importation and sale of clothing;
 - xi) MODES EGO in association with the importation and sale of clothing;
 - xii) EGO JEANS in association with clothing;
 - xiii) COMMUNICATION EGO in association with clothing advertisement;
 - xiv) EGO GRAPHIC in association with clothing and fashion advertisement;
 - xv) Any trade-names with the term “ALTER EGO”.
- b) Subsequent to its transfer, there remained rights amongst two or more entities in the use of the Mark and those rights were exercised by those entities concurrently contrary to the provisions of s. 48(2) of the Act, including Ego Sport Hungary Ltd., Ego Sport Ltd. and Ego Sport GmbH;
- c) The Applicant allowed third parties to use the Mark in Canada and in fact those parties used it outside the provisions governing the use and license of a trade-mark contrary to the provisions of s. 50 of the Act, including Ego Sport Hungary Ltd., Ego Sport Ltd. and Ego Sport GmbH.

The Opponent repeated the conformity, registrability and distinctiveness grounds of opposition on the basis of the introductory paragraphs of s. 16(2) and 16(3) of the Act. Those sections cannot form the foundation of such grounds of opposition as s. 16, as a whole, is the basis of a distinct ground of opposition, namely entitlement to the registration of the Mark.

III Analysis of the various grounds of opposition

- i) *Did the Opponent meet its initial onus of proof?*

The legal burden is upon the Applicant to show that its application complies with the provisions of the Act, but there is however an initial evidential onus on the Opponent to establish the facts relied upon by it in support of each ground of opposition. Once this initial burden is met, the Applicant still 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.*, 3 C.P.R. (3d) 325, at pp. 329-330; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company*, [2005] F.C. 722].

The Opponent argued that the trade-mark registered in Hungary does not correspond to the Mark applied for in Canada. It takes the position that the design feature of the trade-mark registered in Hungary does not contained the rectangle that surrounds the word portion of the trade-mark. Therefore, there would be a difference between the trade-mark registered abroad and the Mark. Even if I conclude that the grounds of opposition described above would allow the Opponent to make such argument, there is no evidence in this opposition with respect to the foreign registration. The Applicant must know in advance what it has to face and prepare itself accordingly. If the Opponent intended to rely on documents filed during the prosecution of the application, it ought to introduce such evidence by way of affidavit as prescribed by rule 41 of the *Trade-marks Regulations (1996)* or file a certified copy of the file wrapper. [See application no. 857320 for the trade-mark RESIDENT'S CHOICE, decision of the Registrar dated December 15, 2004, reversed by the Federal Court on the basis of additional evidence filed. *Loblaws Inc. v. Telecombo Inc.* 2006 F.C. 634]

There is no evidence to support grounds of opposition 1 ii) and iii) described above. Consequently, the first ground of opposition is dismissed in its entirety for failure by the Opponent to meet its initial onus of proof.

The fourth ground of opposition is also dismissed for failure by the Opponent to meet its initial onus of proof. The evidence filed does not relate at all to any prior use of allegedly confusing trade-marks or trade-names listed under such ground of opposition or any third party's use of the Mark that would be contrary to the provisions of s. 48 or 50 of the Act.

ii) Non compliance of the application to the provisions of the Act

The evidence filed through the affidavits of Ms. Thibaudeau represent extracts of the register, results of searches conducted on the Internet and dictionaries definitions. It would appear that such evidence may have been relevant if the Opponent had pleaded that the Wares were not described in ordinary commercial terms as required under the provisions of s. 30(a) of the Act. As stated earlier I refused to the Opponent leave to further amend its statement of opposition that would enable it to make such argument. At the oral hearing the Opponent argued that, despite such refusal, the

Opponent could still argue a ground of opposition defined under such subsection as the statement of opposition contains a clear reference to s. 30 of the Act. However, such section contains nine (9) subsections that could individually form the basis a separate ground of opposition. Moreover, the first and second grounds of opposition as described above do contain specific allegations that, if proven, could lead to a conclusion that the application did not comply with the provisions of s. 30 of the Act. None of those specific allegations refer to the Applicant's failure to describe the Wares in ordinary commercial terms.

The Opponent cited *Canadian Council Of Professional Engineers v. APA The Engineered Wood Association* (2000), 7 C.P.R. (4th) 239 to support its contention that, even without the amendment sought, the Registrar would have to consider the ground of non conformity based on the provisions of s. 30(a) of the Act. In order to fully understand the Opponent's position I reproduce herein below the pertinent extracts of such judgment:

(...) However, the circumstances of the case at bar differ from both of the above-cited cases: The Registrar did not consider a ground of opposition not addressed by the opponent (appellant), nor did the opponent raise any new ground of opposition in the appeal in this Court. Apparently, the basis for this issue being raised before me is the belief that since the Registrar stated that the term "THE ENGINEERED WOOD ASSOCIATION" may be clearly descriptive of an association which promotes the interests of producers in this industry (see para 8 *infra*), the Registrar would have allowed the opposition on this basis, had he not concluded that he was without jurisdiction to consider a ground of opposition other than as set out in the statement of opposition. The opponent had only opposed the registration on the basis that the proposed marks were clearly descriptive or deceptively misdescriptive of the persons employed in the production of the wares or services.

62 I believe it will suffice to say that the fact that "THE ENGINEERED WOOD ASSOCIATION" may clearly describe an association which promotes the interests of producers in the industry, such does not give rise to a ground of non-registrability under paragraph 12(1)(b) of the Act. To be unregistrable, the proposed mark must clearly describe the *services* offered ("dry cleaning", "marketing", "consulting services", "association services"), and this the respondent's proposed marks do not.

63 I am, however, also of the view that the Registrar must not unduly limit his inquiry upon opposition proceedings. The appellant in the case at bar had placed registrability under paragraph 12(1)(b) squarely in issue in its statement of opposition. It would not be reasonable for the Registrar to allow what he apprehends to be an unregistrable mark to be registered, merely because the narrow grounds for non-registrability under paragraph 12(1)(b) advanced by the opponent were not successful. Having said that, such broadened inquiry must consider the extent to which the applicant for registration would be prejudiced by such actions, and its right to have notice of the grounds of opposition, so

that it may effectively exercise its rights to make submissions in the form of a counterstatement. (My underlines)

Our situation differs in certain aspects. In *APA* the Opponent did plead s. 12(1)(b) but limited its allegation to a portion of such subsection. In our case there is no reference to a specific subsection of s. 30. In fact the Opponent did use a wording similar to some of the subsections of s. 30 but nothing close to the provisions of s. 30 (a). Section 38 of the Act together with rules 35 to 47 of the *Trade-marks Regulations (1996)* do set out a code of procedure governing opposition to the registration of a trade-mark. The Registrar still has some discretionary powers that must be exercised judiciously. In the particular circumstances of this case, as explained in my earlier interlocutory ruling of September 7, 2006, I am of the opinion that the Applicant would suffer a greater prejudice if the Opponent is allowed to argue a specific ground of opposition not pleaded in the statement of opposition. Finally, I may add that in any event, in accordance with the Wares and Services Manual modified in January 2006, the Registrar accepts most of the terms used by the Applicant in the description of the Wares. The second ground of opposition is therefore dismissed.

iii) *Registrability of the Mark*

The Opponent met its initial onus of proof by filing a certified copy of registration number TMA299050 for the trade-mark EGO covering perfume, deodorant and body spray. As for the other trade-mark registrations listed under the third ground of opposition, the Opponent conceded that they are no longer on the register. I shall not consider them in my analysis of this ground of opposition, as the material time under s. 12(1)(d) is the date of my decision. [See *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) 413 at 424 (F.C.A.)]

The likelihood of confusion must be assessed from the point of view of an average consumer with an imperfect recollection of the trade-mark raised in opposition and placed in contact with the Wares bearing the Applicant's Mark: would he think that the Wares originate from the same source?

The test for confusion is set forth in s. 6(2) of the Act and I must have regard to all the surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names 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 or trade-names in appearance, or sound or any ideas suggested by them. Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [See *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

In *Polo Ralph Lauren Corp. v. United States Polo Association et al.* (2000), 9 C.P.R. (4th) 51 (F.C.A.) at 58-59, Malone J.A. enunciated as follows the guidelines to be applied when assessing the likelihood of confusion:

A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used. When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.

The trade-marks in issue are inherently distinctive when used in association with their respective wares. The inherent distinctiveness of a trade-mark can be enhanced by its extensive use. There is no evidence of use of any of the trade-marks in issue. This factor favours neither party.

When determining the registrability of the Mark, the Registrar can refer to the information contained in the certificate of registration filed to determine if there has been use of such trade-

mark. [See *Cartier Men's Shops Ltd. v. Cartier Inc.* (1981), 58 C.P.R. (2d) 58] Certificate of registration TMA299050 for the trade-mark EGO makes mention of a date of use since March 5, 1984. Consequently I conclude that there has been de minimis use of the trade-mark EGO [see *Entre Computer Centers Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (TMOB)] but by itself I shall not afford significant weight to such use. There is no evidence of use of the Mark.

The Wares consist of articles of clothing, shoes and bags while the certificate of registration cited by the Opponent covers deodorant, perfume and body spray. The nature of the wares is different. The Opponent argued that some registrations referred to in Ms. Thibaudeau's affidavit do cover clothing and toiletries. The fact that both categories of wares are found in a certificate of registration does not imply that the nature of the wares is similar. Moreover for those registrations, I do not have any evidence that the trade-mark is in fact used in association with wares falling within each of those general category of wares. This factor favours the Applicant.

I have no evidence of the channels of trade. In the absence of such evidence I cannot conclude that there is a similarity in the channels of trade used for the sale of articles of clothing and toiletry. This factor also favours the Applicant.

The marks in issue are identical in sound and ideas suggested. Their appearances vary slightly in view of the design portion of the Mark. This factor favours the Opponent.

Having analysed the circumstances to be taken into consideration, I conclude that on a balance of probabilities an average hurried consumer having an imperfect recollection of the trade-mark EGO used in association with toiletry who might encounter the Applicant's Mark in association with the Wares in the market-place would not be confused as to the source of origin of the Wares. I base my conclusion on the fact that there exists a difference in the nature of the wares and that there is no evidence that would enable me to conclude that there is an overlap in their channels of trade.

Therefore the third ground of opposition is also dismissed.

IV Conclusion

The Applicant has discharged its burden to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the registered trade-mark EGO, certificate of registration TMA299050. Therefore, having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject the opposition of the Opponent, the whole pursuant to s. 38(8) of the Act.

DATED IN BOUCHERVILLE, QUEBEC, THIS 27th DAY OF SEPTEMBER 2006.

Jean Carrière,
Member,
Trade-marks Opposition Board