LE REGISTRAIRE DES MARQUES DE COMMERCE

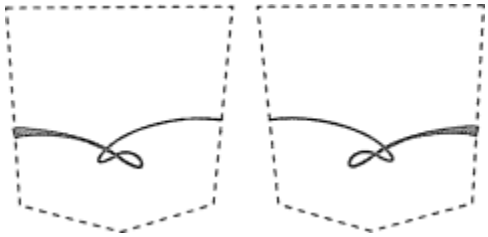
THE REGISTRAR OF TRADE-MARKS

Citation: 2013 TMOB 163
Date of Decision: 2013-09-30

IN THE MATTER OF AN OPPOSITION by Levi Strauss & Co. to application No. 1,304,072 for the trade-mark WOMEN'S RUEHL POCKET DESIGN in the name of Abercrombie & Fitch Trading Co.

Introduction

[1] This opposition relates to an application filed by Abercrombie & Fitch Trading Co. (the Applicant) on June 5, 2006 to register the trade-mark identified as 'WOMEN'S RUEHL POCKET DESIGN (the Mark) as illustrated hereinafter:



and described in the following terms:

> The mark consists of a miscellaneous mirror image stitching design. The dotted lines around the mark represents the shapes of the pockets, which are not claimed as features of the mark.

[2] The Applicant seeks to register the Mark in association with: (1) clothing, namely jeans, skirts, shorts, pants and jackets (wares1); and (2) jeans (wares2) (wares1 and wares2 collectively referred to as the Wares). The application is based: on proposed use in Canada in association with wares1; an application for registration in the United States on wares1; use in the United States on wares2; and registration in the United States on wares2.

[3] The application was advertised on December 1, 2010. Levi Strauss & Co. (the Opponent) filed a statement of opposition on January 31, 2011.

[4] The grounds of opposition raised by the Opponent are based on sections 30(e), 30(i), 12(1)(d), 16(2), 16(3) and section 2 (distinctiveness) of the *Trade-marks Act* RSC 1985, c T-13, (the Act). The specific grounds of opposition are detailed in Schedule A annexed to this decision.

[5] The first issue is to determine if the Opponent has furnished sufficient evidence to support its grounds of opposition. If so, then I must decide if the application satisfies the requirements of section 30(e) and (i); and ultimately if the Mark was confusing at any of the relevant dates with the Opponent's trade-marks.

[6] For the reasons detailed hereinafter, I conclude that the Opponent has not discharged its burden with respect to the grounds of opposition based on sections 30(e) and (i), 16(2)(b) and 16(3)(b). I also conclude that the Applicant has not discharged its onus to prove that there is no likelihood of confusion between the Mark and the Opponent's trade-mark Arcuate Stitching Design as defined hereinafter. Consequently I maintain grounds of opposition based on sections 12(1)(d) and 2 (distinctiveness).

Legal Onus and Burden of Proof

[7] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached in favour of the Applicant once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be

sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); Jos*eph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA) and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FC)].

Preliminary Remark

[8] In coming to my decision I have considered all of the evidence and submissions made by the parties; however, only the portions of the evidence and submissions which are directly relevant to my findings will be discussed in the body of my decision.

Ground of Opposition based on Section 30(i)

[9] Section 30(i) of the Act only requires the Applicant to declare that it is satisfied that it is entitled to use the Mark in Canada in association with the wares and services described in the application. Such a statement is included in this application. An opponent may rely on section 30(i) in specific cases such as where fraud by the applicant is alleged [see *Sapodilla Co Ld v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. There is no allegation of that nature in the statement of opposition or any evidence in the record to that effect.

[10] The Opponent argues that by not filing any evidence subject to a deponent's cross-examination the Opponent could not test the veracity of the Applicant's knowledge or lack of knowledge of the Opponent's trade-marks. Such situation is causing a prejudice to the Opponent and as such a negative inference should be drawn from the Applicant's failure to file evidence. With all due respect, I disagree. As mentioned above, the initial burden is on the Opponent. The Applicant is at liberty not to file any evidence. It may decide not to file any evidence if it considers that the Opponent has not met its initial burden. Finally even if an applicant is aware of an opponent's trade-mark(s), that does not necessarily means that it could not state that it was satisfied that it is entitled to use the trade-mark applied for in Canada in association with the wares and services described in the application.

[11] Consequently the ground of opposition based on section 30(i) of the Act is dismissed.

Ground of Opposition Based on Section 30(e) of the Act

[12] The Opponent argues that the Applicant has failed to adduce any evidence of an intention to use the Mark in Canada. On that basis the Opponent concludes that the application does not conform to the requirements of section 30(e) of the Act. This reasoning is contrary to the state of the law on the burden of proof in opposition proceedings. The Opponent had an initial burden to file some evidence to support that ground of opposition.

[13] I find that there is no evidence in the record that could be used to support this ground of opposition and accordingly it is dismissed.

Ground of Opposition based on Section 16(2)(b) and (3)(b) of the Act

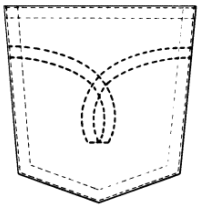
[14] To support this ground of opposition, the Opponent is relying on five registered trade-marks namely certificates of registration TMA142607, TMA381977, TMA517605, TMA266592 and UCA39879. It alleges that the applications that lead to these registrations were filed prior to the Applicant's application. However section 16(4) of the Act stipulates that those applications must have been pending at the date of advertisement of the present application (December 1, 2010). As it appears from the certificate of authenticity filed by Ms. Patti Johnson, the Canada Country Manager of Levi Strauss & Co. (Canada) Inc. (Levi Canada), none of these applications were still pending on December 1, 2010. Consequently these grounds of opposition are also dismissed [see *Governor and Co of Adventurers of England trading into Hudson's Bay v Kmart Canada Ltd* (1997), 76 CPR (3d) 526 (TMOB)].

Ground of Opposition based on Section 12(1)(d) of the Act

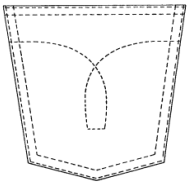
[15] The relevant date for this ground of opposition is the date of the Registrar's decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 at 424 (FCA)].

[16] The Opponent filed certified copies of the following registrations:

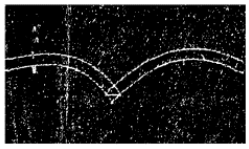
TMA142607 for garments namely jeans as illustrated hereinafter:



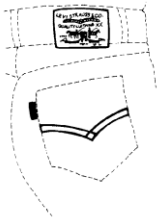
TMA381977 as illustrated hereinafter in association with pants:



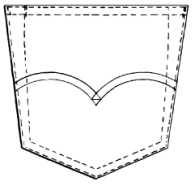
TMA517605 as illustrated hereinafter in association with pants, bib overalls, coveralls, shorts, skirts, jackets and shirts:



TMA266592 as illustrated hereinafter in association with trousers for men, women and children:



and UCA39879 as illustrated hereinafter in association with garments, namely overalls



(this design being referred to as the Arcuate Stitching Design trade-mark)

[17] I exercised my discretion to check the register and note that all registrations are extant. Therefore the Opponent has met its initial burden with respect to this ground of opposition [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

[18] The test for confusion is outlined in section 6(2) of the Act. Some of the surrounding circumstances to be taken into consideration when assessing the likelihood of confusion between two trade-marks are described in section 6(5) of the Act: 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 CPR (3d) 483 (FCTD) and *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD)].

[19] The test under section 6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether there would be confusion of the Applicant's Wares, associated with the Mark, as wares emanating from or sponsored by or approved by the Opponent.

[20] Mr. Justice Binnie of the Supreme Court of Canada commented on the assessment of these criteria [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 and *Mattel Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321]. Each factor may be assessed different weight but the most important factor is often the degree of resemblance between the marks [see *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 96 CPR (4th) 361 (SCC)].

[21] Considering overall the evidence filed by the Opponent, I believe that the best case scenario for the Opponent is with its Arcuate Stitching Design trade-mark as most of the Opponent's evidence is centered around such mark. I shall therefore assess the criteria listed under section 6(5) with that in mind. If I conclude that there is no likelihood of confusion between the Mark and the Arcuate Design trade-mark of the Opponent, the latter would not be successful in its opposition with any of the other registered trade-marks illustrated above.

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

[22] The Mark and the Opponent's registered trade-marks possess some inherent distinctiveness as each one of them are artistic renditions of lines. Moreover there is no apparent connection between the designs and the parties respective wares. However both marks are also decorative and comprise simple line designs. Therefore they are not inherently strong marks [see *Levi Strauss & Co v Vivant Holdings Ltd* (2003), 34 CPR (4th) 53 (TMOB)].

[23] The distinctiveness of a trade-mark can be enhanced through its use or promotion. The Opponent has provided evidence on its history and the use of the Opponent's trade-marks in Canada.

[24] The relevant allegations contained in the Johnson affidavit and the exhibits thereto may be summarized as follows:

- Levi Canada is licensed by the Opponent to use the Opponent's trade-marks and the Opponent has, under the license, control of the character or quality of the wares in association with which the trade-marks are used by Levi Canada [paragraph 5].
- Virtually all of the LEVI'S brand pants (including jeans) sold in Canada by Levi Canada bears the Arcuate Stitching Design trade-mark [paragraph 7, Exhibit C].
- The Arcuate Stitching Design trade-mark is illustrated on hang tags and flashers attached to LEVI's brand garments sold in Canada by Levi Canada [paragraph 7, Exhibits D1 to D11].
- From 1996 until 2010, Levi Canada has sold in Canada over 50 million garments bearing the Arcuate Stitching Design trade-mark, which represented a wholesale value in excess of $1.4 billion [paragraph 9].
- Copies of representative sale invoices from between 2008 to 2011 are filed as Exhibit E [paragraph 9].
- Since 1972, Levi Canada has extensively advertised its LEVI'S brand products in print and broadcast media as well as by various promotions; these advertisements frequently

display the Arcuate Stitching Design trade-mark. Total advertising expenditures since 1972 have been in excess of $200 million [paragraph 11].

- Specimens of representative advertisements filed as exhibits to the Johnson affidavit include, *inter alia*, storyboard and videotape of television commercials, billboard advertisements, outdoor posters and transit shelter advertisements, advertisements in magazines and newspapers, catalogues distributed to retailers of LEVI'S brand garments, sample consumer advertising slicks, point-of-sale advertisements [paragraphs 12 to 17].
- The Opponent and Levi Canada have alerted the trade as to their trade-mark rights through advertisements [paragraph 19, Exhibits N1 and N2].
- In a text entitled *LEVI'S: The "Shrink-to-fit" business that stretched to cover the world*, published in 1978, the author referred to the Arcuate Stitching Design trade-mark as "seemingly the oldest clothing trade-mark in continuous use" [paragraph 20, Exhibit O1].

[25] The Applicant has adduced no evidence of its use of the Mark in Canada. Although the Johnson affidavit does not distinguish the sales and advertising figures by type of garments, it establishes extensive sales and advertising associated with the Arcuate Stitching Design trade-mark. As such it can reasonably be concluded that the Arcuate Stitching Design trade-mark is well known in Canada [see *Levi Strauss & Co*, *supra*].

[26] In view of the above, the overall consideration of the inherent distinctiveness of the trade-marks and of the extent to which they have become known clearly favours the Opponent.

s. 6(5)(b) - the length of time the trade-marks have been in use

[27] From the evidence described above, this factor clearly favours the Opponent.

s. 6(5)(c) and (d) - the nature of the wares, services or business and the nature of the trade

[28] In considering the nature of the wares and the nature of the trade, it is the statement of wares in the application and the statement of wares in the registrations that govern the assessment of the likelihood of confusion under s. 12(1)(d) of the Act [see *Mr Submarine Ltd v. Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe, Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[29] I wish to point out, from the evidence contained in Ms. Johnson' s affidavit, that the term 'overall' at the time of registration UC39879 referred to various types of garments, including jeans, pants, coveralls and what would currently be referred to as overalls [see paragraph 6 of Ms. Johnson's affidavit and exhibits B1 to B3 inclusive].

[30] There is clearly an overlap in so far as jeans and pants are concerned. As for the other Wares, they are also articles of clothing.

[31] As for the nature of the trade there is no evidence filed by the Applicant on this issue while the Opponent has clearly shown that the garments bearing the Arcuate Stitching Design trade-mark are sold throughout Canada through retail stores, including: LEVI'S STORES retail stores that primarily sell LEVI'S brand products; and department stores, such as The Bay and Sears [paragraph 10 of Johnson affidavit]. I have to assume from the nature of the Applicant's Wares that ultimately they would be sold to the consumers at the retail level in retail stores. These factors favour the Opponent.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[32] As mentioned above, this is the most important factor. Since the trade-marks at issue are design trade-marks, I find that there is no degree of resemblance between them in "sound". As for the 'ideas' suggested by them, the parties in their written arguments were silent on this issue.

[33] The Opponent has referred to 3 cases where it was successful in opposing applications to register different stitching designs on the basis of likelihood of confusion with its trade-marks, including its Arcuate Stitching Design trade-mark [see *Levi Strauss & Co v Bennetton Group* (1997), 77 CPR (3d) 223 (TMOB); *Vivant Holdings Limited v Levi Strauss & Co* (2003), 34 CPR (4th) 53 (TMOB) affirmed (2005), 41 CPR (4th) 8 (FCTD); and *Levi Strauss & Co v 167081 Canada Inc* (2009), 7 CPR (4th) 228 (TMOB)]. However each case must be determined on the basis of the facts presented.

[34] To distinguish the marks the Applicant argues that the Mark consists of a mirror image stitching design while the Arcuate Stitching Design trade-mark is not a mirror image. The marks must be view as a whole. However given the nature of the Wares, it is conceivable that the

garments could be displayed in such a way that only one pocket would be seen by the consumer. Consequently I do not consider this argument to be convincing.

[35] The Applicant has provided a detailed list of the differences between the marks describing seven of them in paragraph 25 of its written argument, including the number of lines forming the Mark; the position of the design from one end of the pocket to the other; and the thickness of the line forming the design. On the other hand the Opponent states that, as for its Arcuate Stitching Design trade-mark, the dominant portion of the Mark is 'the double-arcuate' design, namely two connecting arcs that meet in the center of the pocket.

[36] Visually, I consider that there exist important similarities when comparing the marks in issue. The Arcuate Stitching Design trade-mark has a double-arcuate portion with an intersection portion in the middle of the design. The Mark is a line forming two arcs with a centered loop portion.

State of the Register Evidence

[37] The Applicant has filed 12 certificates of authenticity of registered trade-marks or applications for stitching designs all covering articles of clothing. Schedule B of this decision is a list of those trade-marks. I note that registration TMA472,647 has been expunged on October 25, 2012 for failure to renew. Therefore on this date it is no longer on the register.

[38] 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 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD)]. Inferences about the state of the marketplace can only be drawn from state of the register evidence where large number of relevant registrations are located [see *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[39] As mentioned by the Opponent application 1498091 was filed on the basis of proposed use. No declaration of use has been filed. Therefore I cannot assume that this stitching design has been used in the marketplace. There are therefore 10 citations. However, as appears from the

designs reproduced in Schedule B of this decision, most of them do not have a central portion created by the intersection of curved lines.

[40] In this case I find the number of relevant citations insufficient to enable me to infer that consumers are accustomed to see stitching designs on pockets of garments as trade-marks in association with garments such that they make the distinction between them.

Conclusion

[41] The ultimate test is the first impression in the mind of a consumer who has a vague recollection of the Arcuate Stitching Design trade-mark, who sees a garment with the Mark on its pockets, will that consumer think that the Opponent is the source of these garments?

[42] In reaching my decision I took into account the fact that the Opponent's evidence establishes that its Arcuate Stitching Design trade-mark has become well known in Canada in association with jeans, that the parties' wares are identical or similar in nature. I am also of the opinion that the similarities in the design of the Applicant's Mark and the Opponent's Arcuate Stitching Design trade mark outweigh their differences when the trade marks are considered in their totalities. I am not convinced that the average purchaser as a matter of immediate impression and with an imperfect recollection of the Opponent's aforesaid trade-mark would recollect the stitching patterns in each instance, and would therefore not be confused as to the source of origin of garments bearing the Applicant's Mark.

[43] Consequently I find that at all material times the Applicant has not met its legal onus to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Arcuate Stitching Design trade-mark. I maintain this ground of opposition.

<u>Grounds of Opposition based on Sections 16(2)(a); 16(3)(a) and 2 of the Act</u>

[44] It is generally accepted that the relevant date to assess the distinctiveness ground of opposition is the filing date of the statement of opposition (January 31, 2011) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 CPR (2d) 126, (FCA) and *Metro-Goldwyn-Meyer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)].

[45] The Opponent has established that its Arcuate Stitching Design trade-mark was known in Canada at the relevant date. Consequently the Opponent has met its initial burden of proof. It was up to the Applicant to prove that the Mark was apt to distinguish the Wares from the wares of the Opponent.

[46] The earlier relevant date would not have any significant impact on the analysis of the factors listed under section 6(5) when assessing the likelihood of confusion at such date. Therefore I maintain this ground of opposition for the reasons detailed above.

[47] As for the grounds of opposition based on sections 16(2)(a) and (3)(a), the Opponent having been successful under two separate grounds of opposition, it is not necessary for me to assess them.

Disposition

[48] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the Applicant's application to register the mark pursuant to section 38(8) of the Act.

_____

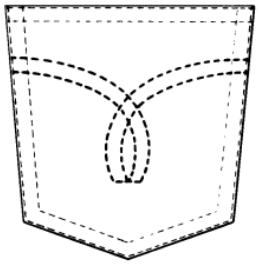
Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule A

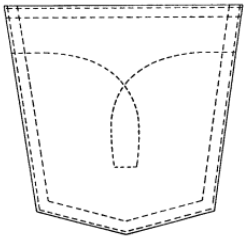
The relevant grounds of opposition can be summarized as follow:

1. The Application does not comply with the requirements of section 30(e) of the *Trade-marks Act* RSC 1985, c T-13, (the Act) in that the Applicant did not and does not intend to use the Mark in Canada in association with the Wares;
2. The Application does not comply with the requirements of section 30(i) of the Act in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada having regard to previous knowledge of, and confusion with, the trade-marks set out below;
3. The Mark is not registrable in view of section 12(1)(d) of the Act since the Mark is confusing with the Opponent's reregistered trade-marks:

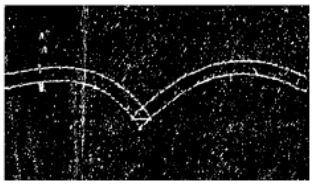
   TMA142607 as illustrated hereinafter for garments namely jeans:



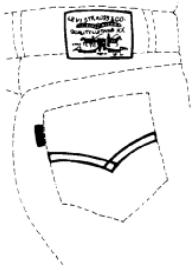
   TMA381977 as illustrated hereinafter in association with pants:



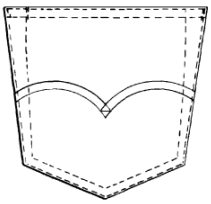
   TMA517605 as illustrated hereinafter in association with pants, bib overalls, coveralls, shorts, skirts, jackets and shirts:



TMA266592 as illustrated hereinafter in association with trousers for men, women and children:

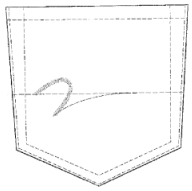
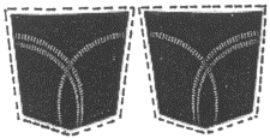
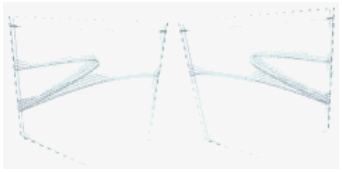
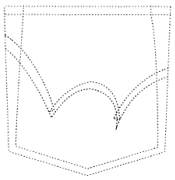
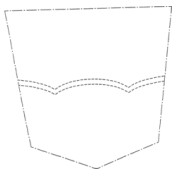
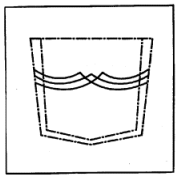
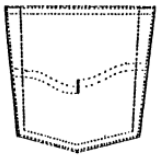


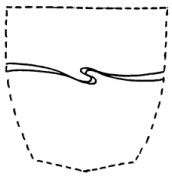
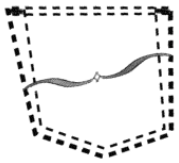
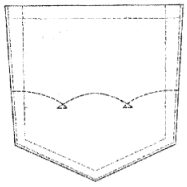
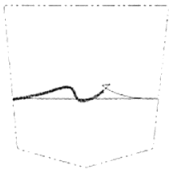
and UCA39879 as illustrated hereinafter in association with garments, namely overalls:



4. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(2) of the Act because at the filing date of the application the Mark was confusing with the Opponent's trade-marks listed above previously used in Canada or made known in Canada by the Opponent in association with the Opponent's wares, and for which applications had previously been filed and registrations existed;
5. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(3) of the Act because at the filing date of the application the Mark was confusing with the Opponent's trade-marks listed above previously used in Canada or made known in Canada by the Opponent in association with the Opponent's wares, and for which applications had previously been filed and registrations existed;
6. Pursuant to section 38(2)(d) of the Act, the Mark is not distinctive of the Applicant having regard to the Opponent's use in Canada of all of the trade-marks referred to above, and to the advertising and promotion in Canada of all of these trade-marks of the Opponent. The Mark is neither adapted to distinguish nor capable of distinguishing the wares in association with which it is proposed to be used by the Applicant from the wares of the Opponent.

Schedule B

Reg. or Appl. No.	Trade-Mark
TMA 788,163	
TMA695,101	
Appl. 1498091	
TMA661,212	
TMA688,638	
TMA497,909	
TMA472,647	

Reg. Or Appl. No.	Trade-mark
TMA 517,787	
TMA684,591	
TMA786,495	
TMA732,750	
TMA675,710