

IN THE MATTER OF AN OPPOSITION
by Jonathan, Boutiques Pour Hommes
Inc. to application No. 610,658
for the trade-mark JONATHAN STONE
filed by Jonathan Stone, Ltd.

On July 7, 1988, the applicant, Jonathan Stone, Ltd., filed an application to register the trade-mark JONATHAN STONE for the following wares:

men's, women's and boy's jackets, raincoats,
topcoats, pants, shorts and tops.

The application is based on proposed use of the mark in Canada and on use and registration in the United States (No. 1,445,250). The application was advertised for opposition purposes on February 22, 1989.

The original opponent, Les Entreprises Ernest (Mtl) Ltee / Ernest Enterprises (Mtl.) Ltd. (hereinafter referred to as "Ernest"), filed a statement of opposition on March 16, 1989, a copy of which was forwarded to the applicant on April 7, 1989. On October 31, 1989, Ernest was granted leave to amend the statement of opposition pursuant to Rule 42 of the Trade-marks Regulations.

The first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(d) of the Trade-marks Act because the applicant did not use its applied for trade-mark in the United States, as claimed, prior to filing the present application. The second ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with Ernest's trade-marks JONATHAN & Design (illustrated below) and JONATHAN registered under Nos. 288,151 and 288,153 both for services described as the "operation of a retail store selling men's clothing and accessories."

The third ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16 of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with Ernest's two registered trade-marks previously used in Canada with the registered services and with "men's clothing and accessories." The fourth ground is that the applied for trade-mark is not distinctive of the applicant in view of the foregoing.

The applicant filed and served a counter statement. As its evidence, Ernest filed the statutory declaration of its President, Ernest Iarrera. Mr. Iarrera was cross-examined on his declaration and a transcript of the cross-examination and the subsequently filed answers to undertakings form part of the record of this proceeding.

As its evidence, the applicant filed the affidavit of Gay J. Owens. On January 3, 1991, a copy of a Trade-marks Office letter was filed indicating that an assignment of Ernest's two trade-mark registrations to Jonathan, Boutique Pour Hommes Inc. (hereinafter referred to as "Jonathan") had been recorded on December 21, 1990. Consequently, the opposition continued in the name of Jonathan as the successor in title to Ernest.

The applicant was subsequently granted leave to file additional evidence pursuant to the provisions of Rule 46(1). The additional evidence consists of the affidavits of Erick Frappier and Sophie Picard. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

My review of the opponent's evidence reveals that Mr. Iarrera was less than forthcoming in his statutory declaration and during his cross-examination. However, the evidence does reveal the following chronology of events:

- (1) October, 1979: Ernest begins operation of a men's clothing store in association with its JONATHAN in Montreal. trade-mark
- (2) September, 1982: Ernest begins operation of a JONATHAN store in Laval, Quebec.
- (3) February 24, 1984: Ernest obtains registrations for its two trade-marks.
- (4) September, 1987: Boutique Conclusion Inc. (hereinafter referred to as "Conclusion") begins operation of a JONATHAN store in Ville d'Anjou, Quebec. operation
- (5) October, 1987: Panta-Mode Inc. begins operation of a JONATHAN store in St. Bruno, Quebec.
- (6) March 3, 1989: Conclusion is recorded as a registered user in respect of registration No. 288,151 for the trade-mark JONATHAN & Design. (There is no such recordal for registration No. 288,153.)
- (7) February 1, 1990: Panta-Mode Inc. continued its existence as Jonathan.
- (8) December 21, 1990: The assignment of registrations Nos. 288,151 and 288,153 from Ernest to Jonathan was recorded on the trade-marks register. Jonathan

It is not entirely clear which company operates the first two JONATHAN stores subsequent to the trade-mark assignment. However, page 15 of the Iarrera transcript suggests that Jonathan would be taking over the operation of those stores from Ernest while continuing the operation of the St. Bruno outlet. It would appear that Conclusion would continue to operate the Ville d'Anjou store.

As for the first ground of opposition, the legal burden is on the applicant to show its compliance with the provisions of Section 30(d) of the Act. However, there was an evidential burden on the opponent to file at least some evidence in support of the allegations of fact underlying its first ground. As admitted in the opponent's written argument, it has failed to file any such evidence. Consequently, the first ground is unsuccessful.

As for the second ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R. (3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

In the present case, the more relevant of the opponent's registrations is No. 288,153 for the trade-mark JONATHAN. Thus, a consideration of the issue of confusion between that mark and the applicant's mark will effectively decide the second ground.

The applicant's mark JONATHAN STONE would be perceived as an individual's name. It is therefore inherently weak. The applicant has evidenced no reputation for its proposed mark in Canada.

The opponent's mark JONATHAN is also inherently weak since it is a given name. The opponent has evidenced use of its mark in association with retail clothing stores for a number of years, Mr. Iarrera having stated that total sales through the four stores for the period 1980-89 were in excess of \$12 million. However, as can be seen from the chronology set out above, other corporate entities have also operated one or more of the JONATHAN stores over that period. In fact, it would appear that Conclusion still operates one of the four stores independently from Jonathan and without the benefit of a registered user registration, at least in respect of the registered trade-mark JONATHAN.

The opponent submitted that Exhibit 1 to the Iarrera cross-examination shows that the Trade-marks Office acknowledged that Conclusion was recorded as a registered user for both of the opponent's registrations on October 19, 1988. However, the trade-marks register only shows such a recordal in respect of registration No. 288,151 (see Exhibits EI-1 and EI-2 to the Iarrera declaration). Until such time as the register is corrected, I cannot consider Conclusion to be a registered user for registration No. 288,153.

Thus, it would appear that a significant portion of sales through JONATHAN stores were made by companies related to or licensed by Ernest but not recorded as registered users. On the other hand, the opponent's evidence shows a consistent message to the public through the years, namely, that all four stores are part of the same business entity. Ernest's representative business cards, invoices, advertisements and the like featuring the trade-mark JONATHAN were all anonymous as to source and consistently included all four store locations.

Given that some of the JONATHAN sales were made by corporate entities other than the opponent, it would be unfair to allow the opponent to rely on such sales to evidence the extent to which its mark has become known. However, it is also apparent that a fair portion of the sales were made through the stores operated by Ernest. Thus, I am able to conclude that the opponent's trade-mark has become known to some extent in Montreal and surrounding communities.

The length of time the marks have been in use favors the opponent. The applicant's wares are clearly related to the opponent's services since such wares would be sold through retail clothing stores. Thus, the trades of the parties would appear to be

potentially similar. This is particularly so in view of the fact that the opponent apparently also sells clothing bearing its JONATHAN trade-mark through its own stores. The evidence of such activity is limited (see the Picard affidavit) but it does emphasize the potential for overlap in the trades of the parties.

The two marks bear a fairly high degree of resemblance in all respects. In fact, the applicant has adopted the entirety of the opponent's registered mark JONATHAN as the first and more dominant component of its proposed mark JONATHAN STONE. In this regard, see the decision in Conde Nast Publications Inc. v. Union des Editions Modernes (1979), 46 C.P.R. (2d) 183 at 188 (F.C.T.D.).

The applicant has relied on state of the register evidence to mitigate the effect of the resemblance between the marks at issue. The Owens affidavit has appended to it as exhibits certified copies of six third party trade-marks commencing with the word JONATHAN or JONATHON and registered for clothing items. In the absence of evidence of use of at least some of those marks, I am not prepared to infer from the existence of only six registrations that the word JONATHAN is in common use in the clothing industry such that consumers would more easily distinguish between such marks.

The applicant submitted that the decision in Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 413 (F.C.A.) is support for the proposition that state of the register evidence is relevant even, as here, where there are only a small number of relevant registrations. However, in the Park Avenue decision, it was stated that the marks in question were shown, on the evidence, to have been in use. Thus, the applicant's submission would appear to be incorrect: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R. (3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R. (3d) 205 (F.C.T.D.). Also of note is the recent decision in 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 state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

The applicant failed to evidence use of any of the six third party registrations located by Ms. Owens. However, it did evidence the existence of a retail clothing store in Montreal operating under the style Jonathan Roche Monsieur. Thus, there is evidence of at least one other party using a trade-mark or trade-name commencing with the word JONATHAN for a retail clothing store. But there is no indication of the extent to which that third party mark or name has been used to date.

The applicant has also relied on the fact that the opponent has allowed other entities to use its registered mark JONATHAN without recording them as registered users. While the opponent cannot rely on such use to its own benefit, it should also suffer no detriment from such unlicensed use where the public is unaware of the existence of those other entities. As discussed, the consistent message presented to the public in the present case is that the four JONATHAN stores are operated as a single business entity. In such a case, the unrecorded licensed and controlled use of the mark will not necessarily imperil its distinctiveness: see the decisions in All Canada Vac Ltd. v. Lindsay Manufacturing Inc. (1990), 28 C.P.R. (3d) 385 at 396 (F.C.T.D.) and White Consolidated Industries Inc. v. Beam of Canada Inc. (1991), 39 C.P.R. (3d) 94 at 111 (F.C.T.D.). In the present case, there is no evidence that the public has come to associate the JONATHAN trade-mark with such entities as Conclusion or Panta-Mode Inc. thereby diminishing its ability to distinguish the opponent's services from those of

others.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the similarities between the wares, services, trades and marks of the parties, I find that I am left in a state of doubt respecting the issue at hand. Thus, I must resolve that doubt against the applicant. The second ground of opposition is therefore successful and the remaining grounds need not be considered.

In passing, I wish to note that insofar as the opponent's third ground of opposition was based on prior use of its marks in association with wares, it would have been unsuccessful. Contrary to the opponent's contention, it did not clearly evidence any use of its marks with wares prior to the applicant's filing date.

I also wish to make note of the parties' submissions respecting the assignment of the two trade-mark registrations from Ernest to Jonathan. The only effective date of record for that assignment in the present opposition is its date of recordal (i.e. - December 21, 1990). The opponent submitted that the assignment itself has an earlier effective date because it is worded "as of February 1, 1990." However, the assignment has not been entered into evidence. If it had been, and if the wording is as characterized by the opponent, I would likely have given it no earlier effective date than its recordal date in view of the decision in Marcus v. Quaker Oats Co. (1988), 20 C.P.R. (3d) 46 (F.C.A.) since such wording appears to be an attempt to retroactively assign the two marks. Furthermore, as noted by the applicant, the opponent's position is inconsistent with Mr. Iarrera's statement in his statutory declaration dated February 23, 1990 that Ernest is the owner of the two trade-marks. In any event, I consider this to be a moot point since nothing appears to turn on this issue in the present case.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 26th DAY OF February, 1993.

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