

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 131

Date of Decision: 2020-11-30

IN THE MATTER OF AN OPPOSITION

Rolex SA

Opponent

and

PWT A/S

Applicant

1,703,725 for Crown Design

Application

INTRODUCTION

[1] On November 20, 2014, PWT A/S (the Applicant) filed application No. 1,703,725 (the Application) to register the trademark Crown Design, depicted below (the Mark).



[2] The Application is in association with the following goods and services (the Goods and Services):

Goods

(1) Toilet soaps, perfumery, essential oils, cosmetics, and other perfumed products, namely, perfumed soap, perfumed shampoo, perfumed cosmetics, eau de toilette, perfumed sprays, bubble bath, shower gel; preparations for cleaning, care and beautification of the skin, scalp and hair, namely hand wash, body lotion, bubble bath, shower gel, hand soap, body scrub, body butter, lip balm, hand cream, bath soap, bath lotion, body bath soak, body creams, body oils, lip conditioner, shampoo, conditioner, hair spray, mousse, gel; deodorizing preparations for personal use namely antiperspirants and deodorants; Spectacles; sunglasses; frames for glasses; lenses for eyeglasses; glasses cases; bags, cases and sleeves for electronic apparatus and instruments, namely for computers, laptops, tablets, telephones, smartphones, and cameras; trunks and traveling bags; handbags; traveling bags, traveling sets, garment bags for travel, vanity cases, backpacks, sports bags, beach bags, shopping bags, shoulder bags, school bags, canvas travelling sack, attaché cases, boxes of leather or leather board, briefcases, bags of leather for packaging, wallets, purses, key purses and key rings of leather; umbrellas, parasols, walking-sticks, walking stick seats; Clothing namely, casual clothing, athletic clothing, exercise clothing, rainwear, golf wear, ski wear, protective clothing, namely raincoats, fur coats, coats, jackets, clothing jackets, sleeveless jackets, suits, shirts, skirts, dresses, blouses, bathrobes, dressing gowns, cardigans, sweaters, formal wear for men, gloves, gym suits, imitation leather trousers, imitation leather skirts, imitation leather jackets, jerseys, kilts, knickerbockers, leather trousers, leather skirts, leather jackets, overalls, overcoats, parkas, plus fours, pockets for garments, pullovers, pyjamas, scarves, shawls, stoles, sashes for wear, shorts, singlets, sport jerseys, sport shirts, tailor-made suits, tops, trousers, t-shirts, sweatshirts, tunics, vests, waistcoats, rompers, ties, clothing belts, underwear, anti-perspiration underwear, girdles, slips, camisoles, half-slips, perspiration absorbing underwear, petticoats, underpants, undershirts, underskirts, corsets, body stockings, long underwear, socks, leotards, stockings, tights, swimming suits; footwear, namely shoes, boots, slippers; headwear, namely hats, caps, kerchiefs, earmuffs, headbands.

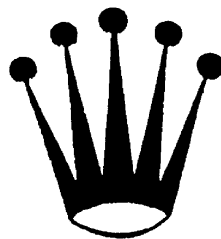
Services

(1) Wholesale and retail sales in stores and through the internet of beauty and personal care products, eyewear, sunglasses, eyeglasses and accessories, leather goods, luggage, bags, cases, clothing and clothing accessories.

[3] The Application is based on proposed use of the Mark in Canada and use and registration of the Mark in Denmark. The Application claims priority to an application filed in Denmark on June 25, 2014.

[4] The Application was advertised for opposition purposes in the *Trademarks Journal* on March 23, 2016. On May 24, 2016, Rolex SA (the Opponent) filed a statement of opposition against the Application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). I note that the Act was amended on June 17, 2019. All references in this decision are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act as it read before it was amended (see section 70 of the Act which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised prior to that date).

[5] The Opponent raises grounds of opposition based on registrability under section 12(1)(d), entitlement under sections 16(2)(a) and 16(3)(a), distinctiveness under section 2, and non-compliance with sections 30(a), (e) and (i) of the Act. For the grounds of opposition based on an alleged likelihood of confusion, the Opponent relies on its use and registration of the design trademark, depicted below, which is the subject of registration No. TMA467,510 (for ease of reference I will refer to this trademark as the “Rolex CROWN DESIGN”):



[6] The goods and services covered by the Opponent’s registration are set out in Schedule “A” to this decision.

[7] Both parties filed evidence and written representations. A hearing was held at which both parties were ably represented.

[8] For the reasons set out below, the Application is refused in part.

EVIDENCE

[9] The evidence filed by the parties is briefly summarized below and is also discussed in the analysis of the grounds of opposition.

Opponent's Evidence

[10] The Opponent filed the Affidavit of Gerry O'Hanlon sworn November 30, 2016 (O'Hanlon Affidavit). Mr. O'Hanlon was not cross-examined on his affidavit.

[11] Mr. O'Hanlon is the Chief Operating Officer of Rolex Canada Ltd. ("RCL"), a subsidiary of the Opponent. The Opponent designs, manufactures and packages watches. RCL is the exclusive distributor of the Opponent's watches in Canada and controls the distribution of the watches (and associated parts fittings) to authorized third party retailers.

[12] Mr. O'Hanlon describes the history of the Opponent and its use of the trademark ROLEX, as well as the Rolex CROWN DESIGN. Mr. O'Hanlon indicates that the Opponent first adopted a crown design in association with its watches in 1931 and introduced the Rolex CROWN DESIGN in 1945. The O'Hanlon Affidavit provides extensive evidence of the use and advertising of the trademarks ROLEX and Rolex CROWN Design in association with watches, including via sales, advertising and sponsorship of major cultural and sporting events.

[13] With respect to Canada specifically, Mr. Hanlon states that the Opponent has used the trademark Rolex CROWN DESIGN in Canada "with one or more of the goods" listed in registration No. TMA467,510 since at least as early as June, 1946. Mr. Hanlon states that between 2008 and 2015, on average, RCL annually sold in Canada in excess of \$10 million worth of the Opponent's watches bearing the Rolex CROWN DESIGN.

[14] In addition, Mr. O'Hanlon states that the Opponent has also used the Rolex CROWN DESIGN in Canada since at least as early as 1990 in association with "books, magazines, sunglasses, scarves, ties, hats, lanyards, gift bags, umbrellas and notepads" and since at least as early as 2009 in association with "bags, pocket mirrors, shirts, toilet kits, cosmetic bags, pull overs, belts and opera glasses".

[15] In this regard, at paragraph 50 of the O'Hanlon Affidavit, Mr. O'Hanlon describes another subsidiary of the Opponent, Rolex Promotions SA ("Rolex Promotions"), that manufactures a number of the goods other than watches in association with the Rolex CROWN DESIGN. The Opponent controls the character and quality of those goods manufactured by Rolex Promotions. Rolex Promotions sells these non-watch goods to RCL, which then distributes

them to actual or potential consumers in Canada directly or via one or more of its retailers. At paragraph 58 of the O’Hanlon Affidavit, he states “Other than watches, the Opponent’s Goods are sold by Rolex Promotions to RCL”. Invoices for the sale of these non-watch goods from Rolex Promotions to RCL are included as Exhibit “24”.

[16] Mr. O’Hanlon also includes as Exhibit “19” a list of the Opponent’s retailers in Canada, as well as images of some of these retailer storefronts in Exhibit “25”.

Applicant’s Evidence

[17] The Applicant filed the Affidavit of Lars Kristensen sworn April 12, 2017 (the Kirstensen Affidavit), the Affidavit of Sylvie Nadaud sworn April 11, 2017 (the Nadaud Affidavit), and the Affidavit of Thomas James sworn April 11, 2017 (the James Affidavit). Each of these three affiants was cross-examined, and the transcripts of those cross-examinations form part of the record.

The Kristensen Affidavit

[18] Mr. Kristensen is the Buying Director of the Applicant. He describes his understanding of the history of the Mark and its use as part of a clothing brand named Junk de Luxe. In particular, he describes that the Mark was first used in Denmark in 1986 by an individual named Thomas Gundorph Mortensen in association with the retail sale of clothing, footwear and headgear. In or about 1991, the Junk de Luxe brand and the Mark were transferred to the Danish company Junk Junk, owned by Mr. Mortensen. In or about 2012, the Junk de Luxe brand and the Mark were transferred to the Danish company Minimum A/S. On March 13, 2014, the Applicant purchased the Junk de Luxe brand and the rights to the Mark from Minimum A/S.

[19] Mr. Kristensen indicates that the reason the Applicant purchased the Junk de Luxe brand in 2014 was the reputation that the brand, including the Mark, enjoyed in Denmark and throughout Europe in association with clothing, footwear and headgear.

[20] Mr. Kristensen states that the Applicant has used the Mark continuously in Denmark since March 2014 in association with the Goods and Services. Various examples of the use of the Mark by the Applicant in Denmark in association with clothing, in addition to sales and

advertising figures in association with the Mark are included. Mr. Kristensen indicates that he is not aware of any instances of confusion in respect of the Mark and the Opponent's goods.

The Nadaud Affidavit

[21] Ms. Nadaud is a Trademark Research Analyst with CompuMark, an intellectual property research firm. Her affidavit includes the results of a search of the Canadian Trademark Register for trademarks having a "design of a crown" in relation to certain goods and services set out in Appendix A to her affidavit.

The James Affidavit

[22] Mr. James is a Trademark Research Analyst at CompuMark. His affidavit contains the results of an internet search for images of crowns in relation to certain goods listed in Appendix A to his affidavit. I note that I did not find the James Affidavit to be of assistance as evidence of the state of the marketplace in Canada, as it is not clear to what degree, if any, the products identified were available for sale in Canada. I will not discuss this affidavit any further.

ONUS AND MATERIAL DATES

[23] The Applicant bears the legal onus of establishing, on a balance of probabilities, that the Application complies with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all of the evidence, then the issue must be decided against the Applicant. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[24] The material dates with respect to the grounds of opposition are as follows:

- Section 38(2)(a) / 30 of the Act – the filing date of the Application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];

- Section 38(2)(b) / 12(1)(d) – the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- Section 38(2)(c) / 16(2)(a) and 16(3)(a) of the Act – the priority filing date of the Application [*Earthrise Farms v Saretzky* (1997), 85 CPR (3d) 368 (TMOB); *Fisons Pharmaceuticals Ltd v Sales Affiliates Inc* (1973), 10 CPR (2d) 123 (TMOB)];
- Sections 38(2)(d) and 2 of the Act - the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 (FC)].

GROUND OF OPPOSITION SUMMARILY DISMISSED

Non-compliance with section 30(a) of the Act

[25] The Opponent pleads that the statement of goods and services in the Application is not set out in ordinary commercial terms. I have no evidence of record or submissions from the Opponent with respect to this issue. Accordingly, the section 30(a) ground of opposition is dismissed.

Non-compliance with section 30(e) of the Act

[26] The Opponent pleads that the Application does not conform to the requirements of section 30(e) of the Act because the Applicant did not intend to use the Mark in Canada in association with the Goods and Services. There is no evidence of record to support this ground of opposition. I find that the Opponent has not met its initial evidential burden and the section 30(e) ground of opposition is dismissed.

GROUNDS OF OPPOSITION BASED ON ALLEGED CONFUSION

Preliminary Issues

Opponent's use of its Rolex CROWN DESIGN as a trademark

[27] The Applicant contends that the Opponent's display of the Rolex CROWN DESIGN does not constitute use of that design as a separate trademark *per se*, because the design is always displayed in close connection with the trademark ROLEX. The Applicant contends that any use and reputation that may be ascribed to the Rolex CROWN DESIGN is only as part of a composite trademark which includes the word ROLEX.

[28] I disagree with the Applicant on this point. While the Opponent's evidence indicates that the Rolex CROWN DESIGN is typically depicted directly above or beside the trademark ROLEX, it is well established that two trademarks can be used together on the same product [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD)]. In addition, the Opponent's evidence includes multiple examples of the display of the Rolex CROWN DESIGN separate from the word trademark ROLEX [see Exhibits "17" and "20" where the Rolex CROWN DESIGN is depicted on the band and crown of various watches]. In my view, a typical consumer would perceive the Rolex CROWN DESIGN to be a separate trademark in its own right.

Opponent's display of the Rolex CROWN DESIGN on non-watch products

[29] The Opponent has demonstrated in this case that its Rolex CROWN DESIGN trademark has been extensively used in Canada in association with watches and is likely very well known in association with watches. However, based on the evidence filed in this proceeding, the Opponent has not demonstrated the same use and reputation in association with other goods.

[30] At paragraph 62 of the O'Hanlon Affidavit, the Opponent provides a list of non-watch goods on which the Rolex CROWN DESIGN has appeared, including pins, leather key rings, ties, umbrellas, notepads, hats, bags and shirts, as well as data relating to the "Units Sold" for such goods. Some examples of these goods are included in Exhibits "20" and "23" to the O'Hanlon Affidavit. However, when the O'Hanlon Affidavit refers to the sale of these non-

watch items bearing the Opponent's trademark and provides evidence thereof, these sales are from Rolex Promotions to RCL (i.e. from one subsidiary of the Opponent to another). There is no mention of the sale of these non-watch goods to end consumers or third party authorized retailers in Canada. Instead, as set out at paragraph 50 of the O'Hanlon Affidavit, "RCL then distributes these goods to its actual or potential consumers in Canada directly or via one or more of its Retailers" [Emphasis added].

[31] In my view, it is apparent from the O'Hanlon Affidavit that the non-watch goods bearing the Rolex CROWN DESIGN are promotional items distributed (it would appear free of any charge to the retailer or end consumer) to drive the sale of the Opponent's watches. In particular, there is no evidence of any sale or pricing of the non-watch goods to end consumers or third party retailers. In my view, the sale of the non-watch goods between the two related subsidiaries of the Opponent (Rolex Promotions and RCL) does not constitute use of a trademark in the normal course of trade for the purposes of section 4(1) of the Act [see *JC Penney Co v Gaberdine Clothing Co* (2001), 16 CPR (4th) 151 (FC) at para 144, which suggests that sales to related companies do not constitute use of a trademark in the normal course of trade]. Further, it is well established that the free distribution of a promotional product bearing a trademark to promote the sale of a *different* product does not constitute use of a trademark in association with the promotional product [see *Distrimed Inc v Dispill Inc*, 2013 FC 1043, 119 CPR (4th) 1 (FC) at paras 302-303; *Aird & Berlis LLP v Levi Strauss & Co* (2005), 45 CPR (4th) 397 (TMOB)].

[32] Consequently, the Opponent has not demonstrated use of its Rolex CROWN DESIGN trademark in association with non-watch goods for the purposes of section 4(1) of the Act. However, if I am wrong in that conclusion, and the Opponent's display of the Rolex CROWN DESIGN on the non-watch goods does constitute use for the purpose of section 4(1), then the Opponent's evidence suggests that the extent of that use was minimal, based on the unit figures provided in paragraph 62 of the O'Hanlon Affidavit. In my view, the Opponent's evidence is not sufficient to demonstrate any significant reputation in the Rolex CROWN DESIGN in Canada in association with non-watch goods. For example, the table in paragraph 62 indicates that Rolex Promotions sold 2580 shirts bearing the Rolex CROWN DESIGN to RCL during an eight-year period between 2008 to 2015 (i.e. about 322 shirts per year).

Section 12(1)(d) Ground of Opposition

[33] The Opponent pleads that the Mark is not registrable because it is confusing with the Opponent's registered trademark CROWN DESIGN (TMA467,510). I have exercised my discretion to check the Register and confirm that this registration remains extant [see *Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

Test for confusion

[34] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification. In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them.

[35] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[36] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20].

Degree of resemblance

[37] The degree of resemblance between the parties' trademarks is high. Both are comprised of a crown design with five points, each point having a circle at the tip. While there are differences between the trademarks in terms of the angles between the points, the relative sizes of circles, and the presence of an additional band at the base of the Opponent's trademark, I do not consider these differences to be significant as a matter of first impression to a typical consumer with a vague recollection of the Opponent's trademark. This factor favours the Opponent.

Inherent distinctiveness of the trademarks and the extent they have become known

[38] Both parties' trademarks are design trademarks, devoid of any word matter, and do not describe the goods and services in any way. Consequently, both trademarks possess at least a modicum of inherent distinctiveness. However, I consider both parties' trademarks to be on the low end of the spectrum of inherent distinctiveness. In particular, it is apparent from the evidence that simple crown designs are commonly included in trademarks in a variety of fields, presumably as a suggestion of prestige or excellence. This is discussed in further detail, below, with respect to the state of the Register evidence.

[39] With respect to the extent to which the parties' trademarks have become known, the Opponent has demonstrated extensive use and advertising of its trademark in Canada in association with watches, and I am satisfied that the Opponent's trademark is known to a considerable extent in Canada in association with watches. The Applicant has not demonstrated any evidence that its Mark has been used or become known to any extent in Canada.

[40] Consequently, taking into account both the inherent distinctiveness of the parties' trademarks and the extent to which they have become known, on balance, this factor favours the Opponent.

Length of time the trademarks have been in use

[41] The Opponent's evidence demonstrates use of its trademark in Canada since at least as early as 1946. In contrast, the Applicant's Application is based in part on proposed use of the

Mark in Canada and there is no evidence that use of the Mark in Canada has commenced. Accordingly, this factor favors the Opponent.

Nature of the goods, services or business; and nature of the trade

[42] In my view, the confusion analysis in the present case turns largely on the degree to which the nature of the parties' goods, services, and likely channels of trade overlap. In particular, given the other factors which weigh in the Opponent's favour, has the Applicant demonstrated that its goods and services and the nature of its trade are sufficiently different from those of the Opponent to avoid a likelihood of confusion?

[43] It is the list of goods and services in the Opponent's registration and the Applicant's Application that govern the analysis [see *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); and *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)]. This principal is significant in the present case. As discussed above, the Opponent has demonstrated extensive use of its trademark in Canada in association with watches. In my view, the Opponent has not demonstrated use of its trademark in Canada in association with the non-watch related goods and services listed in registration TMA467,510. However, the Opponent nevertheless has a valid registration which covers all of the goods and services in that registration, and it is that full complement of goods and services which I must consider for the purposes of the section 12(1)(d) ground of opposition.

[44] With the above in mind, I have set out in Schedule "B" to this decision the goods and services in the Application which, in my view, overlap with the goods and services in Opponent's registration TMA467,510. For example, the Opponent's registration includes the goods "perfume and perfume bottles", which I consider to overlap to a reasonable degree with the various toiletry and personal care preparations in the Applicant's Application, such as "Toilet soaps, perfumery, essential oils, cosmetics, and other perfumed products, namely, perfumed soap, perfumed shampoo, [...]". As another example, the Opponent's registration includes the goods "briefcases", which I consider to overlap with the various bag and travel items listed in the Applicant's Application, such as "trunks and traveling bags; handbags; traveling bags, traveling sets, garment bags for travel, vanity cases, backpacks, sports bags, beach bags, shopping bags, shoulder bags, school bags, canvas travelling sack, attaché cases, boxes of leather or leather

board, briefcases, [...]”. I have also included in Schedule “B” the services “Wholesale and retail sales in stores and through the internet of [...] clothing accessories”, as in my view this description could potentially be broad enough to encompass the sale of some of the goods in the Opponent’s registration such as jewellery, bracelets and wallets.

[45] In Schedule “C” to this decision, I have set out those goods and services in the Application which in my view do not overlap with the goods and services in the Opponent’s registration TMA467,510. In particular, the goods and services in Schedule “C” are limited to clothing, footwear and headwear items and the sale thereof. The Opponent’s registration does not include such items, nor am I satisfied that the goods listed in the Opponent’s registration overlap to any meaningful degree with the goods and services in the Application that I have identified in Schedule “C”.


[46] Similarly, I expect that the channels of trade for the goods and services listed in Schedule “C” are likely to differ from those of the Opponent. For example, while the description of goods and services in the Opponent’s registration is not limited in terms of its channels of trade, I note that many of the goods listed in the Opponent’s registration, including watches and watch parts, jewellery, namely rings, and bracelets, are items which would typically be sold in a jewellery store, or the perhaps the jewellery section of a department store. The Opponent’s evidence of its use of its trademark is consistent with this interpretation. For example, at paragraph 46 of the O’Hanlon Affidavit, Mr. O’Hanlon states that “Due to their fine craftsmanship, ornamentation and embellishments, many of the Opponent’s watches are also considered pieces of fine jewellery.” Further, Exhibits “19” and “25” of the O’Hanlon Affidavit indicate that the vast majority (if not all) of the Opponent’s authorized retailers in Canada are jewellery stores. I do not expect that clothing, footwear and headwear items would be sold in such stores, or in the same sections of a larger store that sold both clothing and jewellery. This further reduces the likelihood of confusion, at least with respect to those items which I have identified in Schedule “C”.




Additional surrounding circumstances




State of the Register

[47] Evidence concerning the state of the Register is relevant to the extent that inferences may be drawn regarding the state of the marketplace [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FC)]. Inferences regarding the state of the market may be drawn from such evidence only if a large number of relevant registrations are located [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA); *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paras 41-46]. Relevant trademarks include those that (i) are registered or are allowed and based on use; (ii) are for similar goods and services as the marks at issue, and (iii) include the component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197; *Allergan Inc v Lancôme Parfums & Beauté & Cie, société en nom collectif* (2007), 64 CPR (4th) 147 (TMOB) at 169].

[48] In the present case, via the Nadaud Affidavit, the Applicant has identified over one hundred third party trademark registrations, covering a variety of goods and services, that include a simple crown design as part of the trademark. By way of example, I have included in the table below a small selection of these third party trademarks.

Reg. No.	Trademark	Owner	Goods/Services
TMA765920		Triumph Intertrade AG	Goods (1) Clothing, namely dresses, blouses, skirts, jackets, vests, sweaters, hats, gloves, overcoats, robes, trousers, night gowns, [...]; cosmetics, namely lipstick, skin moisturizers, mascara, eye shadow, eyeliner and powder and foundation for the skin; moisturizing soaps for the hands and face; personal care products for women, namely perfumery and essential oils, namely skin care oils and bath oils. Services

			(1) Retail services in the field of clothing.
TMA467855		William E. Coutts Company, Limited	<p>Goods</p> <p>(1) Greeting cards, personal notes, decorated writing paper, order pads, envelopes, merchandise bags and boxes, gift wrappings, gift trims, [...] pencils and pens, purses, mobiles, hats, lapel pins, dolls, cut out decorations, cookie cutters, colouring books, cutlery, candles, candle wreaths, candle holders, candle wall sconces, books, albums, wallet calendars, calendars, playing cards, score pads and tallies, card games, date books and greeting cards with gifts forming part of a greeting card, [...] datebooks, imprinted pocket and wallet calendars, boxed stationery, letterhead, gift boxes, gift containers, gift bags, bottle bags, loot bags, [...]</p> <p>Services</p> <p>(1) Operation of retail card and gift shops.</p>
TMA799259		Shanghai A.Y. Crown Sports Goods Co., Ltd.	<p>Eyeglasses; swim floats; computer keyboards; stopwatches; [...] jewellery cases; silver; bracelets; neck chains; jewellery; precious stones; framed artwork; clocks; wristwatches. Purses; school bags; backpacks; wallets; handbags; travel trunks; attaché cases; key cases; luggage; [...] Athletic clothing; business clothing; baby clothing; casual clothing; shoes; hats; hosiery; gloves; scarves; belts; neck ties; wedding gowns; bathing suits; wet suits; masquerade costumes; children's clothing; girdles for athletic use. [...]</p>
TMA127469		Nina Footwear Corp.	Ladies' shoes.

TMA129482		The Procter & Gamble Company	(1) A hair tinting, dyeing and coloring preparation.
TMA757095		Glem Gas S.P.A.	(1) Dishwashers; washing machines; electromechanical beverage preparation machines, namely juice extractors; electric blenders for household purposes; [...]
TMA840924		J. Dhimy Egalite	(1) Razors, Razor Blades, [...] (2) Cosmetics: namely, Cosmetics bags, Cosmetics Cases, Bath Oils, Personal Deodorants, Nail Polishes, Body Sprays, Perfumery, Perfume Bottles, [...] Sunscreen Creams.

[49] There are weaknesses in the Applicant's state of the Register evidence. First, most of the third party trademarks identified in the Nadaud Affidavit include, in addition to a crown design, other word or design elements which reduce the degree of resemblance with the Opponent's registered trademark. There are no such additional word or design elements in the Applicant's Mark. Second, many of the third party registrations identified by the Applicant cover goods and services that are not directly relevant to the goods and services in issue in this case. Consequently, I do not consider the state of the Register evidence sufficient to suggest that consumers are accustomed to distinguishing between trademarks in the same field based solely on small differences in crown designs.

[50] However, in my view, the state of the Register evidence in this case is still instructive to a limited degree. Specifically, I am satisfied based on the state of the Register evidence that crown designs are commonly incorporated into trademarks in a variety of fields in Canada. While it may be possible to parse the state of the Register evidence in a way that minimizes the degree to which it favours the Applicant, in my view, it is not possible to escape the conclusion that crown designs are quite common. This reduces the degree to which I can consider the Opponent's

trademark inherently distinctive, which favours the Applicant. Of course, as discussed above, the Opponent's Rolex CROWN DESIGN trademark has acquired distinctiveness via its extensive use and advertising over many years, but that distinctiveness has been acquired in respect of the goods on which the trademark has actually been used (i.e. watches), and is not based on any inherent uniqueness of the trademark itself.

Concurrent use of the trademarks in another jurisdiction

[51] The Applicant argues that the concurrent use of the parties' trademarks in Denmark without any instances of actual confusion is a surrounding circumstance which weighs in its favour. While it is apparent from the Opponent's evidence that the Opponent sells its goods internationally, I do not have any evidence regarding the Opponent's use of its trademark in Denmark, and thus I do not have sufficient evidence with which to assess the scope of any coexistence of the trademarks in that country. Consequently, in my view, this factor does not assist the Applicant.

Conclusion regarding the section 12(1)(d) ground of opposition

[52] Having considered all of the surrounding circumstances, the Applicant has not satisfied its legal burden to show that there is no likelihood of confusion between the parties' trademarks in respect of the goods and services set out in Schedule "B" to this decision. In my view, taking all of the relevant factors into account, the goods and services in Schedule "B" overlap too closely with those in the Opponent's registration no. TMA467,510.

[53] However, the Applicant has satisfied its legal burden to show that there is no reasonable likelihood of confusion between the parties' trademarks for the goods and services set out in Schedule "C" to this decision. In particular, I am satisfied that the Applicant's goods and services set out in Schedule "C" are sufficiently different from those in the Opponent's registration that confusion is unlikely.

[54] Consequently, the section 12(1)(d) ground of opposition succeeds in respect of the goods and services set out in Schedule "B" to this decision, but fails in respect of the goods and services set out in Schedule "C".

Sections 16(2)(a) and 16(3)(a) Grounds of Opposition

[55] The material date for the non-entitlement grounds of opposition is the priority filing date of the Application, namely, June 25, 2014. However, this earlier material date has no impact on the outcome of the confusion analysis. In my view, the confusion analysis for the non-entitlement grounds is the same as for the section 12(1)(d) ground of opposition, with one important exception. With the grounds of opposition under section 16(2)(a) and 16(3)(a), the Opponent may rely only on its use of its trademark, as demonstrated by its evidence, rather than the full complement of goods and services set out in registration TMA467,510. This impacts the considerations under sections 6(5)(c) and (d), namely, the nature of the parties' goods, services and trade.

[56] As discussed above, the Opponent has demonstrated extensive use and reputation in its trademark in association with watches in Canada, and that it has not abandoned its trademark. That is sufficient to meet the Opponent's initial evidential burden under the section 16(2)(a) and 16(3)(a) grounds of opposition. However, the Opponent has not demonstrated use or a significant reputation in Canada in association with non-watch related goods and services. Against this backdrop, in my view, the nature of the Goods and Services in the Applicant's Application, and their likely channels of trade, are sufficiently different from the Opponent's watches bearing the Rolex CROWN DESIGN that confusion is unlikely.

[57] Consequently, the section 16(2)(a) and 16(3)(a) grounds of opposition are dismissed in their entirety in respect of all of the Goods and Services in the Application.

Section 2 Ground of Opposition

[58] The material date for the section 2 ground of opposition is the date of filing the statement of opposition, namely, May 24, 2016. In my view, the analysis for the section 2 ground of opposition is identical to that for the section 16(2) and 16(3) grounds of opposition. That is to say, the Opponent has satisfied its initial evidential burden under section 2 by demonstrating significant use and reputation in its trademark in Canada in association with watches. However, in view of the differences between the Applicant's Goods and Services and likely channels of

trade, as compared to those of the Opponent, the Applicant has satisfied me that there is no reasonable likelihood of confusion.

[59] Accordingly, the section 2 ground of opposition is dismissed in its entirety.

SECTION 30(I) GROUND OF OPPOSITION

[60] In its statement of opposition, the Opponent pleads that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Goods and Services, since the Applicant was aware of the Opponent's trademark and, contrary to section 22 of the Act, the use of the Mark by the Applicant would depreciate the value of the goodwill the Opponent has developed in its trademark. The Opponent's submissions relating to this ground are contained at paragraphs 124-127 of its written argument, wherein the Opponent argues that the Applicant's filing of the Application with knowledge of the Opponent's trademark amounts to bad faith.

[61] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trademark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or if the opponent has demonstrated a *prima facie* case that use of the mark would violate a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Pablo Enterprise pte Ltd v Hai Lun Tang*, 2019 TMOB 54 at para 17]. Mere knowledge of the existence of an opponent's trademark is not sufficient to support a section 30(i) ground of opposition [see *Woot Inc v WootRestaurants Inc*, 2012 TMOB 197]. In the present case, the Application contains the requisite statement and in my view there is no evidence that this is a case involving bad faith.

[62] With respect to the ground of opposition based on section 30(i) in conjunction with section 22 of the Act, I note that in *Veuve Clicquot, supra* at para 46, the Supreme Court of Canada identified the following four elements required to demonstrate a depreciation of goodwill under section 22: (1) use of the trademark, (2) sufficient goodwill in the trademark, (3) likely connection or linkage in the consumer's mind, and (4) likelihood of depreciation. In the present

case, I have no submissions from either party with respect to these four elements. In any event, I am not satisfied that the evidence demonstrates a *prima facie* case of a violation of section 22 of the Act sufficient to meet the Opponent's initial evidential burden for the section 30(i) ground of opposition. In particular, I am not satisfied that there is likely to be a mental linkage in the mind of a typical consumer between the Applicant's Mark and the Opponent's trademark, given the difference in the parties' goods and services, taking into account that the goodwill and reputation in the Opponent's trademark is in respect of watches.

[63] Accordingly, the section 30(i) ground of opposition is dismissed.


DISPOSITION

[64] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the Application with respect to the goods and services identified in Schedule "B" to this decision, and I reject the opposition with respect to the goods and services identified in Schedule "C", pursuant to section 38(12) of the Act. Therefore, the Application may proceed in association with the goods and services set out in Schedule "C" to this decision.

Timothy Stevenson
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE "A"

Registration relied on by the Opponent

Trademark	Registration Number	Goods/Services
	<p>TMA467,510</p>	<p>Goods</p> <p>(1) Horological and chronometric instruments and parts and fittings therefor, namely watches, clocks, chronometers, dials, winding-crowns, movements for clocks and watches, and parts thereof, watch cases, buckles, watch-straps and wrist-watches, alarm clocks; precious metals and their alloys and goods in precious metals, namely: cases for watches, clocks, watch-making and jewels; precious stones; electrical and electronic apparatus and instruments for the detection and measurement of time; apparatus for checking the running and the resistance to vibration and shock, of clocks and watches and of clock movements; apparatus for checking the water proofness of watches and of watch cases; time recording and time registering apparatus and parts thereof; watches for underwater diving; magnifying glasses and eyepieces, all for use by watchmakers and watch repairers; wrist-worn and pocket electric calculators; resistors, capacitors, printed circuits, integrated circuits, frequency dividers, time switches and resonators, all being electric; electro-mechanical transducers; electrical clock pulse generators (not being parts of watches or clocks); watches for calculations, batteries.</p> <p>(2) Jewellery, namely rings.</p> <p>(3) Bracelets.</p> <p>(4) Leather goods, namely wallets.</p> <p>(5) Diaries, note-pads, conference pads, conference pad holders, telephone pads, briefcases, spectacle cases, pen holders made of leather, leather wrist measurement band, certificate holders, cheque holders, credit card holders, notepaper holders, bank note cases, briefcases, key-holder; perfume and perfume bottles; pens and pens with bases; pencils; money clips, desk magnifying glasses; refills for note-pads, conference pads and telephone pads; paper knives; tie pins, coasters; wooden golf tees; presentation mats; cushions; golf balls; pocket matches; ashtrays; luggage labels; chocolates and calendars.</p> <p>(6) Pocket knives.</p> <p>Services</p> <p>(1) Repairing and maintenance of watches, horological products, chronometric instruments, electrical and electronic apparatus and their parts thereof.</p> <p>(2) Timing of sporting events, procuring of machine and apparatus to measure time.</p>

Schedule “B”

Goods

(1) Toilet soaps, perfumery, essential oils, cosmetics, and other perfumed products, namely, perfumed soap, perfumed shampoo, perfumed cosmetics, eau de toilette, perfumed sprays, bubble bath, shower gel; preparations for cleaning, care and beautification of the skin, scalp and hair, namely hand wash, body lotion, bubble bath, shower gel, hand soap, body scrub, body butter, lip balm, hand cream, bath soap, bath lotion, body bath soak, body creams, body oils, lip conditioner, shampoo, conditioner, hair spray, mousse, gel; deodorizing preparations for personal use namely antiperspirants and deodorants; Spectacles; sunglasses; frames for glasses; lenses for eyeglasses; glasses cases; bags, cases and sleeves for electronic apparatus and instruments, namely for computers, laptops, tablets, telephones, smartphones, and cameras; trunks and traveling bags; handbags; traveling bags, traveling sets, garment bags for travel, vanity cases, backpacks, sports bags, beach bags, shopping bags, shoulder bags, school bags, canvas travelling sack, attaché cases, boxes of leather or leather board, briefcases, bags of leather for packaging, wallets, purses, key purses and key rings of leather; umbrellas, parasols, walking-sticks, walking stick seats;

Services

Wholesale and retail sales in stores and through the internet of beauty and personal care products, eyewear, sunglasses, eyeglasses and accessories, leather goods, luggage, bags, cases, and clothing accessories.

Schedule “C”

Goods

Clothing namely, casual clothing, athletic clothing, exercise clothing, rainwear, golf wear, ski wear, protective clothing, namely raincoats, fur coats, coats, jackets, clothing jackets, sleeveless jackets, suits, shirts, skirts, dresses, blouses, bathrobes, dressing gowns, cardigans, sweaters, formal wear for men, gloves, gym suits, imitation leather trousers, imitation leather skirts, imitation leather jackets, jerseys, kilts, knickerbockers, leather trousers, leather skirts, leather jackets, overalls, overcoats, parkas, plus fours, pockets for garments, pullovers, pyjamas, scarves, shawls, stoles, sashes for wear, shorts, singlets, sport jerseys, sport shirts, tailor-made suits, tops, trousers, t-shirts, sweatshirts, tunics, vests, waistcoats, rompers, ties, clothing belts, underwear, anti-perspiration underwear, girdles, slips, camisoles, half-slips, perspiration absorbing underwear, petticoats, underpants, undershirts, underskirts, corsets, body stockings, long underwear, socks, leotards, stockings, tights, swimming suits; footwear, namely shoes, boots, slippers; headwear, namely hats, caps, kerchiefs, earmuffs, headbands.

Services

Wholesale and retail sales in stores and through the internet of clothing.

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2020-08-11

APPEARANCES

Sanjukta Tole	For the Opponent
Madeleine A. Hodgson	For the Applicant

AGENTS OF RECORD

Marks & Clerk	For the Opponent
Norton Rose Fulbright Canada LLP	For the Applicant