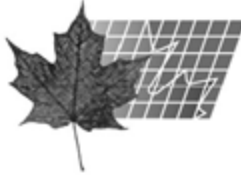


O P I C



C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 292

Date of Decision: 2021-12-23

IN THE MATTER OF AN OPPOSITION

Benisti Import-Export Inc.	Opponent
and	
The North Face Apparel Corp.	Applicant
1,824,588 for HYDROZERO	Application

INTRODUCTION

[1] Benisti Import-Export Inc. (the Opponent) opposes registration of the trademark HYDROZERO (the Mark), which is the subject of application No. 1,824,588 by The North Face Apparel Corp. (the Applicant).

[2] The Mark is applied for on the basis of proposed use in Canada in association with the following goods:

Clothing, namely, jackets, parkas, coats, pants, bib overall pants, vests, hoodies, one-piece shell suits, shell jackets, tights, mittens, gloves, rainwear, wind resistant jackets, shorts, shirts, t-shirts, thermal underwear, and sweaters; headwear, namely, caps, hats, headbands, bandanas, scarves, earbands, earmuffs, balaclavas, visors, beanies; and footwear, namely, athletic shoes, sneakers, trail running shoes, climbing shoes, hiking shoes, slippers, climbing slippers, boots, trekking boots, hiking boots, snow boots, clogs, sandals.

[3] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent's POINT ZERO trademarks, previously registered and used in Canada in association with the same or related goods.

THE RECORD

[4] The application for the Mark was filed on February 24, 2017. The application was advertised for opposition purposes on March 28, 2018. Numerous amendments to the *Trademarks Act*, RSC 1985, c T-13 (the Act) came into force on June 17, 2019. Pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read immediately before June 17, 2019, an exception being that, with respect to confusion, sections 6(2) to (4) of the Act as it currently reads will be applied.

[5] On May 25, 2018, the Opponent opposed the application by filing a statement of opposition under section 38 of the Act. The grounds of opposition are based on non-compliance with section 30 of the Act, non-registrability under section 12(1)(d) of the Act, non-entitlement under section 16 of the Act, and non-distinctiveness under section 2 of the Act.

[6] The Applicant filed a counter statement denying the grounds of opposition.

[7] In support of its opposition, the Opponent filed the affidavit of Mario Morellato, sworn November 30, 2018 in Montreal (the Morellato Affidavit).

[8] In support of its application, the Applicant filed the affidavit of Alan Booth, sworn March 26, 2019 in Ottawa (the Booth Affidavit).

[9] Neither of the affiants were cross-examined. Only the Applicant submitted written representations; an oral hearing was not held.

[10] Before assessing the grounds of opposition, I will first provide an overview of the parties' evidence, the evidential burden on the Opponent, and the legal onus on the Applicant.

OVERVIEW OF THE OPPONENT'S EVIDENCE

[11] The Opponent is the owner of registration No. TMA309311 for the trademark POINT ZERO, registered in association with the following goods:

(1) *Tissus, vêtements pour hommes, femmes et enfants, notamment: manteaux, vestes, gilets, pantalons, sous-vêtements, chemises, blouses, shorts, jeans, chapeaux, casquettes,*

écharpes, jump suits, robes, T-shirts, pull-over, chandails, peignoirs de bain, chaussures, notamment: bottes, souliers, sandales.

(English translation: Fabrics, clothing for men, women and children namely: coats, jackets, vests, pants, underwear, shirts, blouses, shorts, jeans, hats, caps, scarves, jump suits, dresses, T-shirts, pullovers, sweaters, bathrobes, footwear, namely: boots, shoes, sandals.)

(2) Watches, belts, sunglasses, ties, jewellery, key chains, back packs, travelling bags, hand bags, school bags, purses, gloves.

[12] The Opponent is also the owner of eight trademark registrations that consist of or incorporate the term POINT ZERO, registered in association with a variety of goods and services, including various clothing, footwear and headwear goods (TMA693470; TMA695670; TMA800971; TMA830999; TMA866289; TMA875583; TMA883368; and TMA988214).

Morellato Affidavit

[13] Mr. Morellato is a Vice-President of the Opponent [para 1]. He states that the Opponent's POINT ZERO trademark has been in use in Canada since at least as early as July 1984 [para 2]. In particular, Mr. Morellato states that the Opponent manufactures, imports and distributes various garments in association with the POINT ZERO trademark [para 3]. He states that the Opponent's POINT ZERO goods are advertised and sold throughout the world, including in Canada [paras 4 to 7], and that the Opponent promotes its POINT ZERO goods through its website, *www.point-zero.com* [para 8].

[14] The following exhibits are attached to the Morellato Affidavit:

- Printouts of the Opponent's nine POINT ZERO trademark registrations [paras 2 and 3, Exhibits A and B]; and
- Photographs evidencing the Opponent's display of the POINT ZERO trademark on various clothing, footwear, headwear and fashion accessory goods [para 9 and Exhibit C].

[15] Mr. Morellato also asserts that the Applicant's Mark and its use in Canada "would infringe upon" the Opponent's POINT ZERO trademarks [para 12].

OVERVIEW OF THE APPLICANT'S EVIDENCE

Booth Affidavit

[16] At the request of the Applicant's agent, Mr. Booth conducted the following searches of the Canadian trademarks database in March 2019, and attaches such search results as exhibits to his affidavit:

- All trademarks containing the term ZERO in Nice class 25 (re: clothing, footwear and headwear) [paras 3 and 4, Exhibit A]; and
- All trademarks containing the term POINT in Nice class 25 [paras 5 and 6, Exhibit B].

EVIDENTIAL BURDEN AND LEGAL ONUS

[17] In accordance with the usual rules of evidence, there is an evidential burden on the Opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd v Molson Companies Ltd*, 1990 CarswellNat 1053, 30 CPR (3d) 293 (FCTD)]. The presence of an evidential burden on the Opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

[18] For those allegations for which the Opponent has met its evidential burden, 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. The presence of a legal onus on an applicant means that, if a determinate conclusion cannot be reached once all the evidence has been considered, then the issue must be decided against it.

GROUND OF OPPOSITION – NON-COMPLIANCE

[19] Pursuant to section 38(2)(a) of the Act, the Opponent pleads that the application does not comply with the requirements of section 30 of the Act. In particular, the Opponent pleads as follows:

- the statement that the Applicant is satisfied as to its entitlement to the use of the Mark in Canada is false in view of the content of the present opposition, including the Applicant's knowledge of the rights of the Opponent as alleged and of the unlawfulness of said use, if any, contrary to paragraph 30(i) of the Act;
- such use would be, was and is unlawful in that such use is encroaching upon the proprietary rights, as alleged, of the Opponent;
- such use would be, was and is unlawful in that such use is likely to have the effect of depreciating the value of the goodwill attaching to the Opponent's POINT ZERO trademarks, contrary to section 22 of the Act; and
- such use would be, was and is unlawful in that such use would direct public attention to the Applicant's goods, services or business in such a way as to cause confusion in Canada between the Applicant's goods, services or business and those of the Opponent, contrary to section 7(b) of the Act.

[20] As noted above, the Opponent submitted no representations.

[21] In its representations, the Applicant submits that the Opponent has not met its onus since none of the prongs under this ground are supported with any evidence by the Opponent. In particular, the Applicant notes that the Opponent did not provide any evidence supporting the claim that the Applicant had knowledge of any rights of the Opponent, nor did the Opponent provide any evidence supporting the claim that the Applicant had used the Mark as of the filing date of the application [Applicant's written representations at para 14].

[22] Section 30(i) of the Act, as it then was, merely required that an applicant include a statement in its application that it is satisfied that it is entitled to use its trademark in Canada in association with the goods or services described in the application.

[23] As noted by the Applicant in its written representations [at para 14], where this statement has been provided, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol Myers Co*, (1974) CarswellNat 476, 15 CPR (2d) 152 (TMOB)]. Knowledge of the existence of

an opponent's trademark does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use its trademark [*Woot, Inc v WootRestaurants Inc*, 2012 TMOB 197].

[24] In this case, the requisite statement was provided, and there is no evidence that this is an exceptional case. Although Mr. Morellato speculates in his affidavit that the Applicant's use of the Mark in Canada "would infringe upon" the Opponent's POINT ZERO trademarks [para 12], this assertion is unsupported by the evidence. Setting aside whether each prong under this ground is valid and properly pleaded, to the extent they – and Mr. Morellato's assertion regarding infringement – would ultimately turn on the issue of confusion between the Mark and the Opponent's POINT ZERO trademarks, for the reasons below, I would find in favour of the Applicant on that issue of confusion.

[25] Accordingly, the ground based on non-compliance with section 30 of the Act is rejected in its entirety.

GROUND OF OPPOSITION – NON-REGISTRABILITY

[26] Pursuant to sections 38(2)(b) and 12(1)(d) of the Act, the Opponent pleads that the Mark is not registrable because it is confusing with the Opponent's nine registered POINT ZERO trademarks.

[27] The material date with respect to confusion with a registered trademark is the date of this decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd*, 37 CPR (3d) 413 (FCA)]. As the Opponent's POINT ZERO trademark registrations are extant on the register, the Opponent meets its initial burden for each of its registrations.

[28] Accordingly, the Applicant must establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and any of the Opponent's POINT ZERO trademark registrations. For purposes of this analysis, I consider it sufficient to focus on the Opponent's registration No. TMA309311 for the word mark POINT ZERO, as it constitutes the Opponent's strongest case.

Test to determine confusion

[29] The test to determine the issue of confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[30] The test to be applied is a matter of first impression in the mind of a casual consumer “somewhat in a hurry” who sees the Mark in association with the applied-for goods at a time when they have no more than an imperfect recollection of the Opponent’s trademark and does not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[31] 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, 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.

[32] The criteria or factors in section 6(5) of the Act are not exhaustive and different weight will be given to each one in a context-specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54]. In *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, the Supreme Court of Canada stated that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis [at para 49] and that, while the first word in the trademark may be the most important in some cases, the preferable approach is to consider whether there is an aspect of the trademark that is particularly “striking or unique” [at para 66].

Inherent Distinctiveness and Extent Known

[33] With respect to the inherent distinctiveness of the parties' trademarks, the Mark is a coined term, albeit a combination of ordinary dictionary words HYDRO and ZERO. As acknowledged by the Applicant in its written representations [at para 15(a)], the Mark is perhaps suggestive of clothing items that have a water-repellant feature. Nevertheless, in relation to the applied-for goods, the Mark has at least some inherent distinctiveness. Similarly, the Opponent's POINT ZERO trademark consists of two ordinary dictionary words. Although the Applicant submits, *inter alia*, that the POINT ZERO trademark may be suggestive of clothing designed for cold weather, *e.g.*, zero degree temperatures, I consider it to have at least the same degree of inherent distinctiveness in relation to the relevant goods.

[34] The distinctiveness of the Opponent's POINT ZERO trademark is strengthened somewhat by the evidence of use of the POINT ZERO trademark. The Applicant notes that the evidence of use of the POINT ZERO trademark in the Morellato Affidavit is largely undated and bereft of particulars regarding sales figures or channels of trade [para 15(b)]. Nevertheless, I accept that the Opponent's POINT ZERO trademark has become known in Canada at least to some degree. In contrast, there is no evidence of use or extent known with respect to the Mark.

[35] In view of the foregoing, this factor favours the Opponent.

Length of Time in Use

[36] The uncontroverted evidence is that the Opponent has used its POINT ZERO trademark in Canada since 1984 [Morellato Affidavit at para 2]. In contrast, the application for the Mark is based on proposed use and there is no evidence of use of the Mark subsequent to the filing date or otherwise.

[37] Accordingly, this factor also favours the Opponent.

Nature of the Goods or Business / Nature of the Trade

[38] When considering the nature of the goods of the parties in respect of the issue of confusion, it is the statements of goods in the subject application and registration that govern [*Mr*

Submarine Ltd v Amandista Investments Ltd, 1987 CarswellNat 749, 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[39] There is direct overlap in the nature of the parties' goods, as both include various clothing, footwear and headwear goods.

[40] With respect to the parties' channels of trade, the Applicant submits that the Opponent "has provided no statements or evidence regarding the nature of its trade" and has provided no details with regard to "the manner of distribution, channels of trade, or the types of stores [the Opponent's] products are sold at" [para 15(d)].

[41] However, as the Opponent has met its initial burden under this ground, the onus is on the Applicant. In this case, the Applicant has not furnished any evidence regarding the nature of its business. Given the nature of the parties' goods, at a minimum, I accept there is the potential for overlap in the nature of the parties' channels of trade to some extent.

[42] Accordingly, these factors favour the Opponent.

Degree of Resemblance

[43] The parties' trademarks share the element ZERO. However, in its representations [at para 15(e)], the Applicant submits that the first word or first syllable in a trademark is usually the most important for the purpose of assessing confusion. In this case, the Applicant notes the first word of the Opponent's trademark, POINT, and the first portion of the Mark, HYDRO, neither look nor sound similar. Furthermore, while neither parties' evidence directly addresses the ideas suggested by the parties' trademarks, the Applicant submits that consumers would likely consider the Opponent's POINT ZERO trademark to refer to "zero degrees" and thus assume that the Opponent's clothing products are designed for cold weather. Alternatively, the Applicant submits that the Opponent's POINT ZERO trademark refers to a "starting point". In contrast, the Applicant submits that, given the combination of "hydro" and "zero" in the Mark, consumers may assume that the Applicant's clothing goods include a water-repellant feature [para 15a)].

[44] In any event, whatever the ideas suggested by the parties' trademarks, I agree with the Applicant that the parties' trademarks have a low degree of resemblance in appearance, when sounded, and in ideas suggested.

[45] Accordingly, this important factor favours the Applicant.

Additional Surrounding Circumstance – State of the Register

[46] In its representations [at para 15], the Applicant refers to the Booth Affidavit regarding the existence of third-party trademarks that include the word POINT or the word ZERO in Nice class 25 (for clothing, footwear and headwear).

[47] However, state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [*Ports International Ltd v Dunlop Ltd*, 1992 CarswellNat 1431 (TMOB); and *Welch Foods Inc v Del Monte Corp*, 1992 CarswellNat 178 (FCTD)]. Such inferences can only be drawn from state of the register evidence where large numbers of relevant registrations are located [*Maximum Nutrition Ltd v Kellogg Salada Canada Inc*, 1992 CarswellNat 124 (FCA)].

[48] Unfortunately, the voluminous exhibited search results in the Booth Affidavit include active and inactive trademark applications and are not limited to extant registrations. While the Applicant notes 11 third-party registrations that include the term POINT [at para 15], given that this is not the shared element between the parties' trademarks, it is not clear what relevance these registrations have to the present case. This leaves only three third-party registrations that include the term ZERO, as specified by the Applicant in its written representations [at para 15]. This is an insufficient number of registrations from which to draw inferences regarding the state of the marketplace. Whatever value was intended by this evidence, I consider it no stronger than the fact that ZERO is a common dictionary word.

[49] Accordingly, I do not consider this surrounding circumstance to favour either party.

Conclusion – Confusion with the Opponent’s POINT ZERO Trademark

[50] As mentioned above, the degree of resemblance between the parties’ trademarks is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion. Indeed, in the present case, I find that this factor outweighs the other factors.

[51] Having considered all of the surrounding circumstances, I find that the Applicant has met its legal burden with respect to the likelihood of confusion between the parties’ trademarks. I reach this conclusion due to the low degree of resemblance between the parties’ trademarks and notwithstanding the length of time in use of the Opponent’s trademark and the overlap or potential overlap in the nature of the parties’ goods, businesses and trades.

[52] Accordingly, the ground of opposition based on confusion with registration No. TMA309311 for the trademark POINT ZERO is rejected.

[53] As I considered that registration to represent the Opponent’s strongest case, I reach the same conclusion regarding confusion with respect to the Opponent’s remaining eight POINT ZERO trademark registrations as pleaded.

[54] Accordingly, the ground of opposition based on non-registrability is rejected in its entirety.

GROUND OF OPPOSITION – NON-ENTITLEMENT

[55] Pursuant to section 38(2)(c) of the Act, the Opponent pleads that the Applicant is not the person entitled to registration of the Mark. In particular, the Opponent pleads that, pursuant to section 16(3) of the Act, at the date of filing and at any relevant time, the Mark was confusing with i) the Opponent’s POINT ZERO trademarks and ii) the Opponent’s POINT ZERO tradename, that had been previously used or made known in Canada.

[56] The material date for this ground is the filing date of the application for the Mark.

[57] I would first note that, at best, the Morellato Affidavit is unclear regarding any use of POINT ZERO as a tradename of the Opponent.

[58] In any event, notwithstanding the earlier material date, I do not find my conclusions above regarding confusion to substantially differ under this non-entitlement ground. Having considered all of the surrounding circumstances, I find that the Applicant has met its legal burden with respect to the likelihood of confusion with any of the Opponent's POINT ZERO trademarks or tradename as pleaded. I reach this conclusion due to the low degree of resemblance between POINT ZERO and HYDROZERO and notwithstanding the length of time in use of the Opponent's POINT ZERO trademark and the overlap or potential overlap in the nature of the parties' goods, businesses and trades.

[59] The Opponent also pleads that the Applicant is not the person entitled to registration of the Mark since the application does not comply with the requirements of section 30 of the Act. In my view, this is not a proper ground of opposition. In any event, as discussed above, I am not satisfied that the Opponent has met its burden with respect to its allegations of non-compliance with section 30 of the Act.

[60] Accordingly, the ground of opposition based on non-entitlement is rejected in its entirety.

GROUND OF OPPOSITION – NON-DISTINCTIVENESS

[61] Pursuant to section 38(2)(d) of the Act, the Opponent pleads that, in view of section 2 of the Act, the Mark is not distinctive of the goods of the Applicant since the Mark does not actually distinguish the goods in association with which the Mark is used or proposed to be used by the Applicant from the goods or services of others, including the Opponent, nor is it adapted to so distinguish them.

[62] The material date for this ground is the filing date of the opposition, May 25, 2018 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317].

[63] Section 2 of the Act, as it then was, defined "distinctive" as follows:

distinctive, in relation to a trademark, means a trademark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them.

[64] A trademark “actually distinguishes” by acquiring distinctiveness through use, resulting in distinctiveness in fact. On the other hand, a trademark that is “adapted so to distinguish” is one that does not depend upon use for its distinctiveness because it is inherently distinctive [see *Astrazeneca AB v Novopharm Ltd*, 2003 FCA 57 at para 16].

[65] As noted above, there is an evidential burden on the Opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd, supra*]. In this case, there is no evidence with respect to the trademarks or goods of any “others”, as referenced in the pleading.

[66] Accordingly, the initial burden is on the Opponent to prove that, as of the material date, its trademark was known to some extent in Canada in association with the relevant goods and had a reputation in Canada that was “substantial, significant or sufficient” so as to negate the distinctiveness of the Mark [see *Bojangles’ International, LLC v Bojangles Café Ltd*, 2006 FC 657 at paras 33 and 34; and *Ontario Dental Assistants Association v Canadian Dental Association*, 2013 FC 266 at para 42, *aff’d* 2013 FCA 279]. In *Suzanne’s Inc v Auld Phillips Ltd*, 2005 FCA 429, in the context of an expungement proceeding under section 57 of the Act, the Federal Court of Appeal stated that “Obviously, it will be a rare occurrence when one party is in a position to cause a mark to lose its distinctiveness, but nothing in principle prevents this result” [at para 7].

[67] In this case, while I accept that there is some evidence of use of the Opponent’s POINT ZERO trademarks, I do not consider such evidence to satisfy the Opponent’s burden to demonstrate substantial, significant or sufficient reputation in Canada of such trademarks so as to negate the distinctiveness of the Mark.

[68] In any event, to the extent this ground in part ultimately turns on the issue of confusion, I would come to the same conclusion as above with respect to the non-registrability and non-entitlement grounds, notwithstanding the differing material dates.

[69] Accordingly, the non-distinctiveness ground of opposition is rejected in its entirety.

DISPOSITION

[70] In view of all of the foregoing, pursuant to section 38(12) of the Act and the authority delegated to me under section 63(3) of the Act, I reject the opposition.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: No hearing held

AGENTS OF RECORD

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