



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 200

Date of Decision: 2022-10-20

IN THE MATTER OF AN OPPOSITION

D.C.K. Concessions Limited

Opponent

and

Hong Xia ZHANG

Applicant

2,099,380 for FREEDOM JEWELRY

Application

& Design

FILE RECORD

[1] Hong Xia ZHANG (the Applicant) applied for registration of the trademark FREEDOM JEWELRY & Design (the Mark), shown below, in association with a number of goods and services, under application No. 1,907,221, on July 3, 2018.



[2] Application No. 1,907,221 was advertised for opposition purposes in the *Trademarks Journal* on December 2, 2020. The Applicant then requested that this application be divided into separate applications, including the present divisional application No. 2,099,380 (the Application), which is for the following goods:

Jewellery, gold jewellery, diamond jewellery, precious and semi-precious gemstones, gemstone jewellery, jewellery made of precious metal, wedding bands, rings being jewellery, earrings, pendants, jewellery bracelets, necklaces, ankle bracelets, brooches, costume jewellery; jewelry boxes

[3] I note that the Applicant included the following foreign character translation as part of its Application: “The trademark comprises four Chinese characters. The first character means 'complex'. The second character means 'auspicious'. The third and fourth characters together mean 'jewelry'.” The foreign character transliteration provided by the Applicant is “FAN RUI ZHU BAO”.

[4] On June 1, 2021, D.C.K. Concessions Limited (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).

[5] The Act was amended on June 17, 2019. As the Application in this case was advertised after June 17, 2019, the Act as amended applies (see section 69.1 of the Act). The Opponent raises grounds of opposition based on entitlement under sections 16(1)(a), (b) and (c), distinctiveness under section 2, and non-compliance with section 38(2)(f) of the Act. The Opponent relies on its trademark FREEDOM, previously used in Canada in association with jewelry and hair accessories. All of the grounds of opposition turn on an alleged likelihood of confusion with the Opponent’s FREEDOM trademark.

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

[7] The Opponent filed as its evidence the affidavit of Daniel John Colyer, Finance Director of the Opponent. Mr. Colyer was not cross-examined. The Applicant elected not to file any evidence. Neither party filed written representations and a hearing was not requested.

ONUS

[8] The legal onus is on the Applicant to show that the Application complies with the provisions of the Act. 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. Once this initial burden is met, the Applicant must satisfy the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

MATERIAL DATES

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

- Sections 38(2)(c)/16(1) of the Act – the filing date of the application or the date of first use in Canada (whichever is earlier);
- Sections 38(2)(d) 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)];
- Section 38(2)(f) of the Act – the filing date of the application.

SECTION 16(1)(A) – ENTITLEMENT TO REGISTRATION

[10] The Opponent pleads that the Applicant is not the person entitled to registration of the Mark under section 16(1)(a) of the Act in view of the Opponent's prior use of its FREEDOM trademark in Canada in association with the Opponent's jewelry and hair accessories.

[11] While the burden of proof is on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's FREEDOM trademark, under section 16(1)(a) the Opponent has an initial onus to prove that its trademark was in use or made known prior to the Applicant's filing date or date of first use, whichever is earlier, and had not been abandoned as of the date of advertisement of the Mark

[section 16(3) of the Act]. In this case, since the Applicant filed no evidence of use, the material date is the filing date of the application (*i.e.*, July 3, 2018).

[12] The Opponent meets its evidential burden of showing that it had used its FREEDOM trademark in association with jewelry prior to July 3, 2018, and that it had not abandoned its trademark prior to the date of advertisement of the Applicant's application for the following reasons.

[13] Mr. Colyer states that the Opponent has distributed FREEDOM branded jewelry in Canada through its partner Arcadia Group since 2012. Arcadia group owns the Topshop/Topman franchise which are located within Hudson Bay stores, and the Opponent's jewelry has been sold in about 55 of these outlets throughout Canada since 2012. After May 2020, the Opponent has sold its FREEDOM branded jewelry wholesale directly to the Hudson Bay. The Opponent's FREEDOM branded jewelry has also been offered for sale on Hudson Bay's website.

[14] Attached as Exhibit B to Mr. Colyer's affidavit are images of various jewelry items showing the FREEDOM trademark affixed to the label of each item. In addition to displaying the Opponent's mark on the labels, the Opponent's mark also appears on the stands that display the jewelry items. Attached as Exhibit E to his affidavit is a summary of Canadian deliveries for FREEDOM branded jewelry for 2016 and 2017. Approximate sales of the Opponent's FREEDOM jewelry in Canada have ranged between \$215,604 to \$597,521 between 2016 and 2021.

[15] I am satisfied from Mr. Colyer's evidence that the Opponent's FREEDOM trademark has been used in Canada in association with jewelry since prior to the material date for this ground. The Opponent has provided evidence of how the mark is displayed on the goods at the time of sale, and has also provided sales figures evidencing transactions in the normal course of trade in Canada prior to the material date as required by section 4(1) of the Act.

[16] The onus is now on the Applicant to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the parties' marks.

Test for confusion

[17] 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 they have no more than an imperfect recollection of the opponent's trademark, and do not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401, at para 20].

[18] The test 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 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. Thus, section 6(2) of the Act does not concern the confusion of the trademarks themselves, but of the goods from one source as being from another. In the present case, the question is essentially whether a consumer, with an imperfect recollection of the Opponent's FREEDOM trademark, who sees the Applicant's goods in association with the Mark, would think that they emanate from, are sponsored by or approved by the Opponent.

[19] In applying the test for confusion, 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, including in appearance, or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Veuve Clicquot, supra*; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 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.

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

[20] This factor involves a consideration of both the inherent and acquired distinctiveness of the parties' respective trademarks. I find that the Opponent's trademark is inherently distinctive because it has no meaning in relation to the Opponent's goods. As for the Applicant's Mark, its stylization, including the ornamental design of what appears to be a necklace, as well as the four Chinese symbols, adds to its overall distinctiveness. However, in view that the word JEWELRY describes the applied for goods, I do not consider the Mark as a whole to be inherently stronger than the Opponent's mark.

[21] With respect to the extent known of the Opponent's mark, the Colyer Affidavit demonstrates the Opponent's use of the trademark through its Canadian distributors. As noted above, sales of products have ranged from \$215,604 to \$597,521 between 2016 and 2021. The Opponent's goods are sold both online and in around 55 stores in Canada, and all of the products sold feature the Opponent's mark on the packaging. The Opponent's mark also appears on in store displays. I am satisfied from this evidence that the Opponent's mark is known to at least some extent in Canada.

[22] The Applicant has not filed any evidence of use of its mark in Canada.

[23] In these circumstances, in view that the inherent distinctiveness of the marks is about the same, given that the Opponent's mark has become known to a greater extent in Canada than the Mark, I find that this factor favours the Opponent.

Length of time the trademarks have been in use

[24] As noted above, the Opponent's evidence indicates that it has used its trademark in Canada since 2012, while the Applicant's application is based on proposed use. This factor therefore favours the Opponent.

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

[25] The Opponent's goods and the applied for goods include jewelry products and as such either overlap or are closely related.

[26] With respect to the parties' channels of trade, the Opponent's evidence shows that its products are sold online and in retail outlets across Canada. In the absence of evidence to the contrary from the Applicant, I find that it is highly likely that the parties' channels of trade would overlap as well.

[27] Both of these factors therefore favour the Opponent.

Degree of resemblance

[28] The Applicant's Mark incorporates the Opponent's trademark in its entirety. In this regard, the most unique and pronounceable part in the Mark is the word FREEDOM. While the Mark also includes an additional design element as well as Chinese characters, these design elements, in my view, do not assist the Applicant in this case. The Applicant did not furnish any evidence to substantiate a finding that the average consumer of its products would be familiar with Chinese characters and recognize their meaning. The mere fact that the Mark includes such characters, without more, is therefore insufficient in this regard [see *Baycliff Company, Inc v CHENG, Wai Tao*, 2018 TMOB 66 at para 30]. This is therefore not a situation in which it would be appropriate to consider the impression of the average Canadian consumer who can read and understand Chinese characters when determining the likelihood of confusion between the parties' trademarks.

[29] I therefore find that there is a meaningful degree of resemblance between the parties' trademarks in appearance, sound and ideas suggested.

Conclusion regarding the likelihood of confusion

[30] Having considered all of the surrounding circumstances, I conclude that the Applicant has not satisfied its legal burden to show that there is no reasonable likelihood of confusion between the parties' trademarks. I reach this conclusion considering that each of the statutory factors favour the Opponent, including the degree of resemblance between the parties' trademarks, the extensive use of the Opponent's trademark in Canada, and the overlap in the parties' goods.

[31] The section 16(1)(a) ground of opposition is therefore successful.

SECTION 2 – NON-DISTINCTIVENESS

[32] The Opponent also pleads that the Mark is not distinctive in that it does not distinguish the Applicant's goods from the goods of others, and more particularly from the goods in association with which the Opponent's FREEDOM trademark has been used in Canada.

[33] In order to meet its initial evidential burden under this ground of opposition, an opponent must show that its trademark had a substantial, significant or sufficient reputation in Canada in association with relevant goods and/or services so as to negate the distinctiveness of the applied for trademark [see *Bojangles' International, LLC and Bojangles Restaurants, Inc v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427].

[34] The Opponent has met its initial evidential burden for this ground of opposition, as it has demonstrated that its mark has had a sufficient reputation in association with its goods across Canada since prior to the filing date of the statement of opposition. The issue then becomes, again, whether there is a likelihood of confusion between the Applicant's Mark and the Opponent's trademark FREEDOM.

[35] I have already concluded that the Applicant has not satisfied its legal burden to show that there is no reasonable likelihood of confusion between the parties' trademarks. In my view, the earlier material date for the non-entitlement ground of opposition does not alter the confusion analysis. In fact, the Opponent's case is actually stronger under this ground since the Opponent has provided further evidence of use of its mark as of the later material date of June 1, 2021.

[36] As a result, I find that since the Applicant has not met its legal burden to demonstrate no likelihood of confusion as of the material date for the non-distinctiveness ground, the section 2 ground of opposition is also successful.

SECTION 38(2)(F) – ENTITLEMENT TO USE

[37] With this ground of opposition, the Opponent pleads that the Applicant was not entitled to use the Mark in Canada at the filing date of the application in that the Mark was confusing with the Opponent's FREEDOM trademark that had been previously used and made known in Canada in association with hair and hair accessories.

[38] Section 38(2)(f) of the Act provides as follows:

(f) that, at the filing date of the application in Canada, determined without taking into account subsection 34(1) [of the Act, which concerns priority dates], the applicant was not entitled to use the trademark in Canada in association with those goods or services

[39] This section addresses the Applicant's lawful *entitlement to use* the trademark (*i.e.*, in compliance with relevant federal legislation and other legal obligations) as opposed to the Applicant's *entitlement to register* the mark (relative to another person's trademark, pursuant to section 16 of the Act) [see *Methanex Corporation v Suez International, société par actions simplifiée*, 2022 TMOB 155]. Only pleading that an applied for Mark was confusing with a previously used trademark is therefore not a fact that can support a section 38(2)(f) ground of opposition.

[40] This ground is accordingly rejected.

DISPOSITION

[41] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the Application pursuant to section 38(12) of the Act.

Cindy Folz
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

No hearing held

AGENTS OF RECORD

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For the Opponent

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For the Applicant