



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 034

Date of Decision: 2023-02-24

IN THE MATTER OF AN OPPOSITION

Opponent: Zeal Optics, Inc.

Applicant: Taojing International Limited

Application: 1771276 for Z & Design

INTRODUCTION

[1] Zeal Optics, Inc. (the Opponent) opposes registration of the trademark Z & Design (the Mark), which is the subject of application No. 1771276 by Taojing International Limited (the Applicant). The Mark is shown below:



[2] The applied-for goods and services are reproduced below, together with the associated Nice classes (CI):

- CI 9 (1) Eyeglasses, namely, spectacles, reading glasses, and prescription sunglasses; eyeglass frames; eyeglass lenses; eyeglasses pouches; sunglasses; prescription sunglasses; spectacles; antireflection coated eyeglasses; cases for eyeglasses and sunglasses; frames for sunglasses; magnifying glasses that fit on a user's face in the manner of eyeglasses; nose pads for eyeglasses; novelty eyeglasses; protective eyeglasses; prescription goggles for sports; reading eyeglasses; sports eyewear; spectacles and prescription sunglasses sold from a website promoting a single primary brand of eyewear; spectacles and prescription sunglasses sold from a website promoting universally affordable prescription eyewear; spectacles and prescription sunglasses sold from a website that enables a universally affordable single primary brand of prescription eyewear to be ordered online.
- CI 21 (2) Eyeglass cleaning cloths.
- CI 35 (1) Online retail sales of sunglasses including prescription sunglasses, spectacles, novelty eyeglasses, eyeglass cases, and eyeglass frames and lenses; Online retail sales of prescription sunglasses, spectacles, novelty eyeglasses, eyeglass cases and eyeglass frames and lenses, from a website organized for ordering universally affordable prescription eyewear online; Online retail sales of prescription sunglasses, spectacles, novelty eyeglasses, eyeglass cases and eyeglass frames and lenses, from a website promoting a single primary brand of eyewear and brands subsidiary to the primary brand including brands that specifically reference the primary brand; Online retail sales of prescription sunglasses, spectacles, novelty eyeglasses, eyeglass cases and eyeglass frames and lenses, from a website organized for ordering a universally affordable single primary brand of prescription eyewear online.

[3] I note that the present statement of goods and services reflects an amended application accepted in August 2021, following the evidence stage of the proceeding.

[4] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent's Z Logo trademark, previously used in Canada in association with the same or related goods.

THE RECORD

[5] The application for the Mark was filed on March 8, 2016. The Mark is applied for on the basis of proposed use in Canada, with a claimed priority filing date of February 8, 2016, based on an application in the United States in association with the same kind of goods and services.

[6] The application was advertised for opposition purposes on November 1, 2017. 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.

[7] On October 1, 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-entitlement to registration under section 16 of the Act; non-distinctiveness under section 2 of the Act; and non-conformity with sections 30(a), 30(e) and 30(i) of the Act.

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

[9] In support of its opposition, the Opponent filed the following affidavits:

- Affidavit of Benjamin Peters, affirmed October 14, 2019 in Boulder, Colorado (the Peters Affidavit); and
- Affidavit of Jasmine Godfrey, sworn October 15, 2019 in Toronto (the Godfrey Affidavit).

[10] Mr. Peters was cross-examined and the cross-examination transcript and undertakings were made of record.

[11] In support of its application, the Applicant filed the following affidavits:

- Affidavit of Eugene Faulkner, sworn March 11, 2021 in the County of Marin, California (the Faulkner Affidavit);
- Affidavit of Darryl Sher, affirmed March 11, 2021 in Thornhill, Ontario (the Sher Affidavit); and
- Affidavit of Avi Stopnicki, affirmed March 15, 2021 in Vaughan, Ontario (the Stopnicki Affidavit).

[12] Only the Applicant submitted written representations. I note that, leading up to – including the day of – the hearing, the Applicant attempted to submit multiple revised

versions of its written representations. As confirmed at the hearing, such submissions were not in compliance with the Act and the *Trademark Regulations*, SOR/18-227; accordingly, they are not of record. All references to the Applicant's written representations below are to the Applicant's written representations of record.

[13] In any event, only the Applicant was represented at the hearing, where the Applicant made further representations accordingly.

OVERVIEW OF THE OPPONENT'S EVIDENCE

Peters Affidavit

[14] Mr. Peters is the President of the Opponent [para 1]. He explains that the Opponent – founded in 1996 – is a manufacturer, distributor and retailer of sunglasses, sports glasses, goggles and accessories [para 2]. He explains that the Opponent sells its eyewear in several countries, including Canada, online and through various retailers, including in sporting goods stores, optical stores, eye care clinics, and general merchandise boutiques [para 3]. He attests that the Opponent's family of trademarks includes the Z Logo trademark (Z Logo), shown below:



[15] He asserts that the Z Logo is one of the Zeal Optics trademarks used in Canada association with prescription and non-prescription goggles, prescription and non-prescription sunglasses, sunglass cases and straps for eyewear (the Opponent's Goods) [para 5]. The Zeal Optics trademarks are shown below:



[16] Otherwise, generally, the Peters Affidavit evidences the following:

- The Opponent's business and history [paras 2 to 5];
- The Opponent's ownership and registration of the Z Logo in other jurisdictions [para 6, Exhibit A];
- The Opponent's use of the Z Logo and Zeal Optics trademarks in Canada [paras 7 to 10, Exhibits B to D]; and
- Advertising of eyewear products in association with the Z Logo, including through social media [paras 11 to 22, Exhibits E to O].

[17] In particular, Exhibit B includes images of various sunglasses, goggles and eyewear accessories that Mr. Peters attests are representative of how the Z Logo was displayed on the Opponent's eyewear products sold in Canada since 2011. Examples are reproduced below:



[18] Mr. Peters attests that the annual revenue in Canada from the sale of Z Logo-branded goggles, sunglasses, sunglass cases and straps for eyewear through retail, wholesale and online channels “has been significant, and in excess of \$700,000 CAD annually since 2012 to the present” [para 10].

Godfrey Affidavit

[19] Ms. Godfrey is an employee of the Opponent's agent of record. Ms. Godfrey attests that in September and October 2019, she was instructed to conduct certain searches and store visits [para 1]. The Godfrey Affidavit evidences the following:

- Ms. Godfrey's visit to an optics store in Toronto, where she took photographs of Z Logo-branded sunglasses produced by the Opponent [paras 2 and 3, Exhibits A and B];
- Printouts of the homepage of the Opponent's website, *zealoptics.com* [para 4, Exhibit B];
- Printouts from the Opponent's website obtained through the WayBack Machine at *archive.org*, dating back to 2011 [paras 6 and 7, Exhibit C];
- Google search results for the term ZENNI OPTICAL [paras 8 and 9, Exhibit D];
- Search results from CIPO's *Goods and Services Manual* [paras 10 and 11, Exhibit E]; and
- Media kits from third-party websites [paras 12 to 15, Exhibit F and G].

OVERVIEW OF THE APPLICANT'S EVIDENCE

[20] The Applicant is the owner of the ZENNI trademark, including the stylized version shown below (the Zenni Design):

ZENNI

Faulkner Affidavit

[21] Mr. Faulkner is a Vice President with Ocusun LLC, a distributor of eyewear for Zenni Optical Inc., the exclusive licensee of the Applicant [para 2]. The Faulkner Affidavit evidences the following:

- The relationship between Ocusun, Zenni Optical, and the Applicant [paras 2 to 4];
- The background and history of these companies, including how customers typically purchase eyeglasses through the *zennioptical.com* website (the Zenni website) [paras 5 to 12];

- Online articles that have identified the Zenni website as “one of the best websites for purchasing eyewear online” [para 12, Exhibits 2 to 14];
- Use of the ZENNI word mark and design variations thereof (including the Zenni Design) in association with eyewear and eyewear accessories and related online store services in Canada since 2004 [paras 13 to 18];
- The history and evolution of the Mark, including its use and display on the Zenni website since 2017 as a “favicon” (i.e., an icon typically displayed in a banner or otherwise in association with a website’s URL) [paras 20 to 21, Exhibits 15 and 16];
- The Applicant’s “brand message” as “Fashionable, Trendy, Affordable”, as well as the typical experience of customers interacting with the Zenni website, “which has always been accessible in Canada” [paras 22 to 27, Exhibits 17 to 20];
- The establishment of the website *ca.zennioptical.com* in October 2020, “accessible from Canada only with prices shown in Canadian dollars where [the Mark] appears as a favicon” [para 27];
- The manner of display of the ZENNI trademark on the Zenni website “since well before February 2016, and subsequently after March 2017” [para 28, Exhibits 21 and 22];
- The manner of display of ZENNI trademarks, including the Zenni Design, on the Applicant’s eyewear products and accessories, and their packaging when shipped to customers [paras 29 and 30, Exhibits 23 and 24];
- The Applicant’s customer base, including unique visits to the Zenni websites from Canada since May 2010 and screenshots thereof [paras 31 to 35, Exhibits 25 to 28];
- Sales of ZENNI-brand eyewear and accessories in Canada since September 2004 [paras 36 to 39, Exhibits 29 to 31];

- The technology and educational materials generally available to the Applicant's customers for purchasing prescription eyewear online [paras 40 to 44, Exhibits 32 and 33]; and
- Marketing and promotion of ZENNI-brand eyewear by various means, including in Canada [paras 47 to 62, Exhibits 34 to 47].

Sher Affidavit

[22] Mr. Sher has been a practicing optometrist for approximately 10 years [para 1]. He has operated optical stores in Ontario [para 2], has been a wholesaler of eyeglasses [para 3], and has generally kept informed of developments in the eyewear industry through, for example, annual attendance at major optical industry trade shows [para 4].

[23] Mr. Sher attests to the following:

- The predominance of eyewear purchases being through optical stores, rather than through online sales, and the reasons for such [paras 6 and 7];
- Consumers general awareness only of major eyewear brands [paras 8 to 10]; and
- Consumers likely awareness of the Opponent's Zeal brand and the Z Logo in particular [paras 11 to 18], opining that, because of Zeal's "very weak position in the market" and other factors, brand recognition for the Z Logo among consumers is "very unlikely" [para 18].

Stopnicki Affidavit

[24] Mr. Stopnicki is a Research Assistant employed by the Applicant's agent of record [para 1]. Between November 2020 and March 2021, Mr. Stopnicki was instructed to conduct several Internet searches. Accordingly, the Stopnicki Affidavit evidences the following:

- Screenshots from the Opponent's website, *zealoptics.com* [paras 2 to 4, 10, 13 to 14, 19, Exhibits B, C, J, L to N, S];

- Screenshots from archived versions of the Opponent’s website, using the WaybackMachine located at *archive.org* [paras 5 to 9, Exhibits D to I];
- A photo of a Zeal Optics display case from an August 2017 online article [para 11, Exhibit K];
- Screenshots from third-party websites [paras 16 to 18 and 20, Exhibits P to R and T]; and
- Screenshots from websites of the third-party Hyatt Hotels, showing photos of a “Z” logo [para 20, Exhibit T].

[25] With respect to Exhibit T, Mr. Stopnicki explains that the Hyatt chain includes Hyatt Zilara and Hyatt Ziva hotels, located in various beach resort cities in Mexico, Jamaica and Dominican Republic. In part based on an online article about Canadian tourists, Mr. Stopnicki gives rough estimates of the average number of Canadian visitors to cities where such hotels are located [para 20].

[26] In addition, Mr. Stopnicki opines on the Opponent’s “brand identity” and “themes”, based on his review of the Opponent’s website [paras 12 and 13].

[27] Mr. Stopnicki also states that, between December 2020 and February 2021, he called over 100 retail stores in Canada to ask if they carried the Opponent’s products; he states that less than half of the stores he called confirmed that they carried the Zeal brand [paras 14 and 15].

EVIDENTIAL BURDEN AND LEGAL ONUS

[28] 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 (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.

[29] 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.

SECTION 30(A) GROUND – GOODS SPECIFIED IN ORDINARY COMMERCIAL TERMS

[30] Pursuant to section 38(2)(a) of the Act, the Opponent pleads that the application does not conform to the requirements of section 30(a) of the Act because the goods and services in association with which the Mark is proposed to be used are not defined in ordinary commercial terms. In particular, the Opponent pleads that the following applied-for goods and services are objectionable:

Eyeglass pouches; Ophthalmic frames and cases therefor; Novelty eyeglasses; Protective goggles; Safety eyeglasses; Eyeglass cleaning cloths; Mobile retail store services featuring eyewear, lenses and accessories for eyewear; On-line retail store services featuring eyewear and accessories for eyewear; and Computerized on-line retail store services in the field of eyewear, lenses and accessories for eyewear.

[31] As noted above, subsequent to the evidence stage in this proceeding, the Applicant amended the statement of goods and services. In my view, these amendments rendered this ground moot. In any event, while the Godfrey Affidavit references CIPO's *Goods and Services Manual*, in the absence of representations from the Opponent, the significance of the Opponent's evidence to this ground as pleaded is not self-evident.

[32] As such, the Opponent does not meet its initial evidential burden and this ground is rejected.

SECTION 30(E) GROUND – NON-CONFORMANCE

[33] Pursuant to section 38(2)(a) of the Act, the Opponent pleads that the Mark does not conform to the requirements of section 30(e) of the Act. In particular, the Opponent pleads that, at the priority filing date of the application, the Applicant did not intend to

use the Mark in Canada in association with any or all of the goods and services identified in the application.

[34] The Opponent filed no evidence in support of this ground.

[35] I note that, in its written representations, the Applicant submits that it is reasonable for the Registrar “to infer and that [the Mark] will continue to be contemporaneously used with the [ZENNI Logo] (identical Z stencil font) which ... has been prominently featured on the main page of the Applicant’s website since March 2017” [para 64]. At the hearing, the Applicant confirmed that this should not be taken as an admission that the Applicant has no intention of using the Mark as applied for.

[36] As the Opponent has not met its initial evidential burden, the ground based on section 30(e) of the Act is rejected.

SECTION 30(i) GROUND – NON-CONFORMANCE

[37] Per section 38(2)(a) of the Act, the Opponent pleads that the application does not conform to the requirements of section 30(i) of the Act. In particular, the Opponent pleads that, at the priority filing date of the application, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the applied-for goods and services, because the Applicant was or should have been aware of the prior rights of the Opponent in the Z Logo trademark.

[38] The Opponent submitted no evidence in support of this ground, and it is well established that this sort of pleading is not viable under section 38(2)(a) of the Act [see, for example, *Sapodilla Co Ltd v Bristol-Myers Co*, 1974 CarswellNat 476 (TMOB); and *Woot, Inc v WootRestaurants Inc*, 2012 TMOB 197].

[39] Accordingly, the ground based on section 30(i) of the Act is rejected.

SECTION 16 GROUND – CONFUSING WITH A PREVIOUSLY USED TRADEMARK

[40] Per 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 at the priority filing date, namely February 8, 2016, the Mark was confusing with the

Opponent's Z Logo trademark, previously used and made known by the Opponent in Canada in association with prescription and non-prescription goggles, prescription and non-prescription sunglasses, sunglass cases, and straps for eyewear.

[41] The Opponent further pleads that, at the date of the advertisement of the application for the Mark, the Opponent had not abandoned its Z Logo trademark.

[42] The material date with respect to confusion with a previously-used trademark is the priority filing date of the application for the Mark, namely February 8, 2016.

[43] In order to meet its initial burden under this ground, the Opponent must show that it had used its trademark in Canada prior to the material date. Furthermore, the Opponent was required to establish non-abandonment of its trademark as of the date of advertisement of the application for the Mark.

[44] In its representations, the Applicant submits that, considered in light of the nature of the sunglasses market, the Opponent's evidence "fails to establish that consumers in Canada recognize [the Z Logo] as a source identifier for the Opponent's goods" [para 122]. In particular, it submits that the sales figures and promotional activity associated with sunglasses bearing [the Z Logo] do not establish that this recognition has been attained independently of the trademark Zeal. The Applicant argues that a negative inference is warranted as the Opponent "has bent over backwards to make the shoe fit, but the evidence is replete with concealed fact, misstatements, inaccuracies, and outright misrepresentations that would have been unnecessary if this recognition existed" [para 122]. The Applicant submits that the Opponent "has not shown that [the Z Logo] was sufficiently known prior to February 8, 2016, to be confusing with [the Mark] with respect to the goods and services as amended or to negate the distinctiveness of [the Mark] as of October 1, 2018" [para 123].

[45] However, these submissions somewhat conflate with arguments regarding the non-distinctiveness ground, and also conflate the assessment of the surrounding circumstances (in particular, the extent to which the parties' trademarks have become

known) with the issue of whether the Applicant has met its initial burden under this ground.

[46] In this case, I accept that the Opponent has evidenced use of the Z Logo trademark in association with relevant eyewear goods since 2012 [Peters Affidavit at paras 7 to 10]. Furthermore, there is no evidence that the Opponent had subsequently abandoned its trademark at any time.

[47] Accordingly, at a minimum, the Opponent meets its evidential burden under this ground with respect to the Opponent's Goods. Therefore, the Applicant must establish, on a balance of probabilities, that there was no reasonable likelihood of confusion between the Mark and the Opponent's Z Logo trademark as of the material date.

Test to determine confusion

[48] 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.

[49] 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 and services at a time when they have no more than an imperfect recollection of the Opponent's Z Logo trademark and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[50] In making such an assessment, all the relevant surrounding circumstances must be taken into consideration, 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.

[51] 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 64]. Given its importance, I will begin with the degree of resemblance between the parties’ trademarks.

Degree of Resemblance

[52] In its representations, the Applicant submits that the Registrar should “take an unbiased view of [the Mark] without reference to the fact that it has been referred to, for convenience in the context of the application only, as Z & Design” [para 62]. This echoes the Faulkner Affidavit, in which Mr. Faulkner asserts that the Mark was “designed to be only weakly identifiable as a letter and therefore to only subtly suggest a connection to the word Zenni”, but that at no time has the Mark been described “as a logo featuring the letter “Z” in any consumer-targeted materials”, offering instead that an “an alternative unbiased perception of [the Mark] is a pair of diagonal lines within a box” [para 19].

[53] In my view, even if I were to accept such assertions and submissions at face value, it remains that the parties’ trademarks have a high degree of resemblance. Visually, the trademarks are highly similar, both having a stencil-type font or appearance, consisting of three elements separated by negative space to give the effect of a stylized Z or parallel lines – one longer, and two shorter on each side. As such, to the extent the Mark would be perceived merely as parallel diagonal lines, the Z Logo trademark could also be perceived as such.

[54] Accordingly, if each trademark is perceived as a stylized letter Z, the parties' trademarks have a high degree of resemblance in appearance, sound and idea suggested. If perceived as something other than a stylized letter Z, it remains that the parties' trademarks, at a minimum, have a high degree of resemblance in appearance.

[55] In any event, this factor strongly favours the Opponent.

Inherent Distinctiveness and the Extent Known

[56] As discussed above, the Applicant submits that the Mark should not and would not be perceived as a stylized letter Z. For example, at the hearing, the Applicant argued that the Opponent's Z Logo is "obviously" a bold letter Z, whereas the Mark would not be perceived as the letter Z and, therefore, the Mark has greater inherent distinctiveness.

[57] However, the Applicant also submits that the Registrar should infer that the Mark "will continue to contemporaneously used with the [Zenni Design] (identical Z stencil font) ... which has been prominently featured on the main page of the Applicant's website since March 2017" [para 64]. In my view, it is difficult to reconcile the argument that the Mark would not be perceived as a stylized letter Z with the submission that the Mark would likely be displayed in association with "Zenni". Regardless, there is no basis to make such an inference and, in any event, the issue of confusion is assessed based on the applied-for trademark.

[58] As such, whether or not each trademark is perceived as a stylized Z design, in my view, the parties' trademarks at issue have equivalent levels of inherent distinctiveness.

[59] With respect to the extent to which the parties' trademarks had become known as of the material date (February 8, 2016), given the evidence of sales and advertising set out in the Peters Affidavit, there is some evidence that the Opponent's Z Logo was known in Canada at least to some extent. Whereas the Sher Affidavit appears to be aimed at questioning the market penetration and brand recognition of the Opponent's Goods, at a minimum, it instead confirms that the Opponent has, indeed, sold its

eyewear goods in Canada in association with the Z Logo trademark. Notwithstanding the Applicant's lengthy detailed arguments questioning the extent to which the Opponent's trademark has become known [e.g., Applicant's written representations at para 43], I do not consider it determinative that "the Opponent's sunglasses brand is clearly not the talk of the town" [para 43j].

[60] In contrast, the Mark is applied for on the basis of proposed use, and I do not accept any evidence of use of the Zenni Design as use of the Mark as applied for. Furthermore, the Faulkner Affidavit confirms that the Applicant only commenced use of the Mark as an icon on its website sometime in 2017, after the material date [para 19].

[61] The Applicant also submits that the Stopnicki Affidavit sets forth evidence that "well-known brands such as Zegna and Zeiss employ a Z letter logo for eyewear suggesting that consumers have been exposed to other Z logos in the eyewear marketplace" [para 116]. However, the Stopnicki Affidavit does not speak to the use or reputation of such logos, in particular prior to the material date [Stopnicki Affidavit at paras 16 and 18, Exhibits P and R]. I also do not consider the evidence regarding third-party use of stylized "Z" trademarks in association with hotels outside of Canada relevant in this case [Stopnicki Affidavit at para 20].

[62] Ultimately, it is sufficient that the Opponent has demonstrated some use of the Z Logo trademark in association with the relevant eyewear goods prior to the material date under this ground. For purposes of this ground, the relative success of the Opponent's eyewear goods in the Canadian marketplace – in association with the Z Logo or otherwise – is, at best, a minor surrounding circumstance. Even if I were to accept all of the Applicant's arguments regarding the recognition of the Opponent's brand and the negative inferences that should be drawn given the Opponent's evidence, this would only diminish the degree to which this factor favours the Opponent.

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

Length of Time in Use

[64] The Opponent has evidenced use of its trademark since 2012, whereas the application is based on proposed use.

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

Nature of the Goods, Services or Business / Nature of the Trade

[66] In its representations, the Applicant emphasizes that the evidence reflects the Opponent's Goods being in the nature of sunglasses and goggles for outdoor use and related to outdoor activities, whereas the Applicant's goods are primarily prescription eyewear and targeted towards different demographics.

[67] With respect to the parties' respective businesses and trades, in its written representations, the Applicant emphasizes the following differences:

- price structure and brand messaging [para 65];
- notoriety of the Applicant's business and the ZENNI trademark, including website traffic and the Applicant's customer base [paras 66 to 75];
- sales volumes [paras 76 to 85];
- promotional activity [paras 86 to 91]; and
- the Opponent's brand, including the alleged de-emphasis and low distinctiveness of the Z Logo trademark [paras 95 to 115].

[68] The Applicant also emphasizes that the Applicant's goods would be uniquely sold from a website, as articulated with respect to some of the applied-for goods and services (e.g., "...from a website promoting a single primary brand of eyewear and brands subsidiary to the primary brand including brands that specifically reference the primary brand"). However, the test for confusion is that of a consumer with imperfect recollection and the average consumer would not be aware of the caveats set out in any registration. Indeed, at the hearing, the Applicant could not direct attention to any

jurisprudence where such a limitation was relevant to the issue of confusion. While the channels of trade may ultimately differ, the nature of the trade is that, while most eyewear purchases are done in retail or optical stores, at least some consumers purchase eyewear online.

[69] Again, even if I were to accept all of the Applicant's arguments regarding the nature of the parties' goods, businesses and trade, at best, this would only diminish the extent to which these factors favour the Opponent. Both parties sell eyewear and, at a minimum, it remains that the applied-for goods include sunglasses and goggles in particular.

[70] In my view, there is clear overlap in the nature of the parties' goods, services, businesses, and channels of trade.

[71] Accordingly, these factors favour the Opponent.

Conclusion – Confusion with the Opponent's Trademark

[72] 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. This is particularly the case where the parties' goods and the parties' channels of trade are the same or overlapping, as in this case.

[73] Having considered all of the surrounding circumstances, I find that the Applicant has not met its legal burden regarding the likelihood of confusion between the parties' trademarks with respect to all of the applied-for goods and services. I reach this conclusion due to all of the statutory factors favoring the Opponent.

[74] In view of the foregoing, the ground of opposition based on section 16 of the Act is successful.

SECTION 2 GROUND – NON-DISTINCTIVENESS

[75] Per section 38(2)(d) of the Act, the Opponent pleads that the Mark is not distinctive within the meaning of section 2 of the Act, as the Mark neither actually distinguishes nor is adapted to distinguish the goods and services covered by the

application from the goods and services of others, and specifically including those of the Opponent. The Opponent pleads that, specifically, the Mark is not distinctive because at the priority filing date of the application for the Mark, and at the present date, the Mark was and is confusing with the Opponent's Z Logo trademark, which has been used and made known in Canada since at least as early as 2011.

[76] The material date for this ground is the filing date of the opposition, October 1, 2018 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[77] 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.

[78] 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].

[79] In this case, the initial burden is on the Opponent to prove that, as of the material date, its trademark i) was known to some extent in Canada in association with the relevant goods and ii) 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 *Canadian Dental Association v Ontario Dental Assistants Association*, 2013 FC 266 at para 42, aff'd 2013 FCA 279]. In *Auld Phillips Ltd v Suzanne's Inc*, 2005 FCA 429, albeit 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].

[80] In this case, as discussed above, I accept that the Z Logo was known to some extent in Canada in association with the relevant eyewear goods. However, noting that the Applicant's lengthy arguments regarding the reputation of the Opponent's trademark

are more relevant to this ground, there is no evidence that the reputation of the Opponent's Z Logo trademark was substantial, significant or sufficient enough such that it *negated* the distinctiveness of the Mark as of the material date.

[81] Accordingly, as the Opponent fails to meet its initial burden, the non-distinctiveness ground of opposition is rejected.

DISPOSITION

[82] 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.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2022-12-22

APPEARANCES

For the Opponent: No one appearing

For the Applicant: Bill Herman

AGENTS OF RECORD

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For the Applicant: Herman IP