



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 166

Date of Decision: 2023-09-29

IN THE MATTER OF AN OPPOSITION

Opponent: Catherine Sidonio

Applicant: Chanel Limited

Application: 1915752 for CHANEL'S GABRIELLE

INTRODUCTION

[1] Catherine Sidonio (the Opponent) opposes registration of the trademark CHANEL'S GABRIELLE (the Mark) which is the subject of application No. 1915752 filed by Chanel Limited (the Applicant).

[2] The Mark is applied for in association with the following goods (the Goods) in Nice Class 18 based on use in Canada since at least as early as April 2017 on goods (1) and proposed use in Canada on goods (2):

CI 18 (1) Handbags

CI 18 (2) Leather and imitation leather, skins and hides, luggage, bags, namely, travel bags, tote bags, carry-all bags, clutch bags, duffel bags, pocket wallets, sporrans, vanity cases (not fitted), briefcases, wallets, purses, credit card holders, card holders, make-up bags and cases, cloth pouches and sleeves for protecting

handbags, belts and shoes, key holders made of leather, umbrellas, parasols, pet clothing, pet collars, dog leashes, riding whips, carrying cases for documents and parts and fittings for the aforesaid goods

[3] The opposition is based on various grounds which are primarily rooted in the assertion that the Mark is confusing with the Opponent's Canadian trademark registration No. TMA1012358 for the trademark GABRIELLE (the Opponent's Trademark) which was registered in Canada on January 8, 2019 in association with the following goods (the Opponent's Goods):

Articles of clothing namely, dressing gowns, dresses, tunics, cardigans, leggings, scarves, belts, tutus, trousers, t-shirts and sweatshirts; headgear, namely hats, scarves, caps, earmuffs; footwear, namely, boots, shoes, slippers, flip-flops and sandal slides; jumpers, jumpsuits, shorts, tights, skirts, swimsuits, lingerie.

[4] For the reasons set out below, I reject the opposition.

THE RECORD

[5] The Application for the Mark was filed on August 20, 2018 and was advertised for opposition purposes on October 30, 2019.

[6] On April 15, 2020, the Opponent opposed the application by filing a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 as amended June 17, 2019 (the Act).

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

[8] In support of its opposition, the Opponent filed the affidavit of Justine Sidonio, dated November 20, 2020 (the Sidonio Affidavit) and the affidavit of D. Jill Roberts dated November 19, 2020 (the Roberts Affidavit).

[9] In support of its application for the Mark, the Applicant filed certified copies of seven Canadian trademark registrations for the trademark CHANEL, copies of the Certificates of Registration for two Canadian trademark registrations for GABRIELLE CHANEL, the affidavit of Alexandre Ferraro sworn July 19, 2021 (the Ferraro Affidavit),

the affidavit of Philippa Bailey sworn July 8, 2021 (the Bailey Affidavit), and the affidavit of Sachin Garg sworn July 15, 2021 (the Garg Affidavit).

[10] None of the affiants were cross-examined on their affidavits.

[11] Both parties filed written representations and attended the oral hearing.

OVERVIEW OF THE OPPONENT'S EVIDENCE

Summary of the Sidonio Affidavit

[12] Ms. Sidonio is the Vice President USA/Canada of Molly Bracken, the fashion design business of the Opponent, and also serves as CEO and Vice President of Molly US Corp., an American corporation that carries out the North American operations of Molly Bracken. Ms. Sidonio has held this position with Molly Bracken since 2017 and has been with Molly Bracken in other capacities since 2008. Through these various roles, Ms. Sidonio attests to having knowledge of the Opponent's Molly Bracken business and to having significant knowledge of the fashion industry [Sidonio Affidavit, paras 1-3].

[13] In her affidavit, Ms. Sidonio attests to the following:

- The Opponent's Molly Bracken business designs and sells fashion collections under the house mark MOLLY BRACKEN as well as other trademarks, including the Opponent's Trademark [para 6].
- Molly Bracken's collections are characterized by a mix of bohemian and retro chic looks and are available in over 5,000 locations worldwide, in Europe, the United States, Canada, Asia and South America [paras 7 and 8].
- The Opponent's Trademark, which is registered in Canada and around the world, was originally introduced for plus-sized customers but is actively expanding to include products of all sizes [para 10, Exhibits C and D].
- The Opponent's Trademark is used in Canada in association with numerous clothing and fashion products, including dressing gowns, dresses, tunics, cardigans, leggings, scarves, belts, trousers, t-shirts and sweatshirts; hats, scarves, caps; jumpers, jumpsuits, shorts, tights, skirts, lingerie [para 13].

- The Opponent’s Trademark appears on labels sewn to the Opponent’s Goods [para 17, Exhibit F].
- The Opponent’s Trademark appears on store signage at retail stores, typically on racks or store walls where the Opponent’s Goods are sold [para 18, Exhibit G].
- Products bearing the Opponent’s Trademark first appeared in the Canadian market in 2017. Sales of the Opponent’s Goods have expanded substantially since then and are available in Hudson’s Bay department stores throughout Canada as well as numerous independent retailers across Canada [paras 20 and 21].
- The Opponent’s Goods are promoted in the Canadian market in several ways including in corners of Hudson’s Bay stores and Hudson’s Bay advertising campaigns and contests, as well as at trade shows (including in Canada), on the website *mollybracken.com* and are also promoted by “influencers” on social media [paras 26-31].
- The Applicant attempted to register the Mark in the United Kingdom. This application was opposed by the Opponent and was rejected on the basis that use of the Mark would cause confusion with the Opponent’s Trademark [para 33].

Summary of the Roberts Affidavit

[14] Ms. Roberts is a law clerk with the Opponent’s agent who conducted searches of The Hudson’s Bay Company’s website *thebay.com*. Screenshots of the search results for the following terms were attached to the Roberts Affidavit:

- Leather handbags in the category “Women’s” [Exhibit 1].
- “Molly Bracken” [Exhibit 2].
- “Gabrielle” [Exhibit 3].
- “Gabrielle in Women” [Exhibit 4].

OVERVIEW OF THE APPLICANT'S EVIDENCE

Summary of the Ferraro Affidavit

[15] Mr. Ferraro is a Quebec lawyer formerly employed by the Applicant's agent. At the request of a lawyer for the Applicant's agent firm, Mr. Ferraro conducted the following online searches:

- A search of the trademark database of the Canadian Trademarks Office to identify trademarks which consist of a given name with trademarks of different persons which include the same given name with another name for use with clothing [para 5]. Copies of the search results are attached as Exhibit A.
- Searches of the Opponent's website *mollybracken.com* for GABRIELLE, the "Our Story" page featuring important dates in the history of different Molly Bracken brands including GABRIELLE Molly Bracken, and the "size guide" section which displays the GABRIELLE Molly Bracken [paras 8 - 10, Exhibits B-D].
- Internet searches for the name Gabrielle [paras 11-15, Exhibits E-H].
- Internet searches to try to identify websites that indicate Gabrielle Chanel is the founder of the house of Chanel and Canadian websites offering books about Gabrielle Chanel for sale [paras 16-18, Exhibits I and J].
- Internet searches for websites that indicate or suggest that the CHANEL trademark is a well-known trademark [paras 19-20, Exhibit K].
- A search on *google.com* for "gabrielle clothing Canada" [paras 21-22, Exhibit L].

Summary of the Bailey Affidavit

[16] Ms. Bailey is Senior Counsel – Intellectual Property for the Applicant, a position she has held since June 2020. Ms. Bailey was previously the Intellectual Property Counsel for the Applicant from 2015 to 2020. As a result of her position with the Applicant, Ms. Bailey is familiar with the Applicant's products, their branding and marketing and has access to files relevant to this opposition [paras 1-3].

[17] The Bailey Affidavit contains:

- A history of the Applicant and its founder Mme Gabriel “Coco” Chanel including articles about Mme Chanel and articles illustrating the fame and influence of Mme Chanel [paras 5-12, Exhibits 1-3].
- A description of Chanel products and use of the CHANEL trademark, including details on the manufacture of Chanel products, control, licensing agreements and protection of the Applicant’s trademarks [paras 13-29, Exhibit 4].
- The launch, marketing and advertising campaigns for the GABRIELLE CHANEL and GABRIELLE’S CHANEL products [paras 44-53, Exhibits 13-18].

[18] Ms. Bailey also provides the following in her affidavit:

- Global sales figures and media expenditures for the Applicant’s business divisions [paras 30 and 31].
- Global revenue for the Applicant [para 33, Exhibit 5].
- A description of the Applicant’s advertising activities in the UK and globally which include print and digital advertising, social media channels, and its website [paras 34-39, Exhibits 6-9].
- Advertising of third parties featuring the Applicant’s products [para 40, Exhibit 10].
- Details on the reputation of the Applicant including samples of third-party articles and various survey firms’ rankings of the Applicant, [para 41-43, Exhibits 11-12].

Summary of the Garg Affidavit

[19] Mr. Garg is Vice President Finance of Chanel Canada ULC (Chanel Canada), a position which he has held since January 2018. Prior to his current position, Mr. Garg was employed by Chanel SARL, a Swiss Chanel entity, where he held various positions commencing in 2012. By virtue of his past and current positions, Mr. Garg states he is

aware of different aspects of the Chanel business including sales, distribution, marketing, advertising and promotion of Chanel products and is involved in the protection and enforcement of the Applicant's intellectual property rights in Canada [paras 1-2].

[20] Mr. Garg provides a detailed summary of:

- The Applicant's business in Canada, including types of Chanel products offered for sale in Canada with associated pricing [para 6].
- How the CHANEL trademarks (including the Mark) are used in Canada, and the licensing structure for use of the CHANEL trademarks in Canada by Chanel Canada [paras 7-17].
- Canadian sales figures for Chanel branded products for the years 2014 to 2020, ranging from \$100 million CAD in 2014 to a high of \$230 million in 2019 [paras 19-20].
- The Applicant's advertising activities on social media relating to the CHANEL trademark [paras 22-25].
- Advertising expenditures of Chanel Canada for the years 2012 to 2017, as well as for January 1, 2018 to August 20, 2018 [para 26].
- Examples of advertising of Chanel products including handbags [Exhibits F-J, paras 27-31].
- Examples of magazine and newspaper articles from various Canadian publications and are attached as Exhibit K [para 32].
- A summary of the background and history of the Mark, description of use of the Mark in Canada, and Canadian annual sales of handbags sold in association with the Mark for the years 2017 to 2020 [paras 35-42, Exhibits N-Q].
- Copies of excerpts from Canadian press, social media and influencer posts featuring the Mark prior to and including August 2018 [paras 43-45, Exhibits S-U].

The Applicant's Trademark Registrations

[21] The Applicant also submitted as evidence:

- Certified copies of Canadian trademark registration nos. TMA569,181, TMA699,308, TMA797,085, UCA18468, TMA194,870 and TMA143,648 all for the trademark CHANEL; and
- Canadian Certificates of Registration for trademark registrations TMA1,094,503 and TMA1,038,675, both for the trademark GABRIELLE CHANEL.

EVIDENTIAL BURDEN AND LEGAL ONUS

[22] 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 (FC)]. 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 admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [*John Labatt*, at 298].

[23] 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.

PRELIMINARY MATTERS

Leave Request for Amended Statement of Opposition

[24] On April 10, 2023, the Opponent filed a request for leave to file an amended statement of opposition. In its amended statement of opposition, the Opponent requested:

- a clerical correction to its section 16(1)(b) ground, namely, the replacement of the word “opponent’s” with “Applicant’s” when referring to the application at issue in this proceeding; and
- the addition of the following pleading to its statement of opposition:

The Opponent further bases its opposition on the grounds set out in s. 38(2)(c) and s. 16(1)(a) as the applied-for mark is confusing with the Opponent’s trademark GABRIELLE noted herein that had been previously used in Canada or made known in Canada.

[25] As noted at the hearing, the clerical correction to the section 16(1)(b) ground is refused. The Opponent was unable to meet its evidential burden for the ground regardless of the amendment as the application the Opponent relied upon proceeded to registration on January 8, 2019, which predates the October 30, 2019 date of advertisement of the Mark. The Opponent advised at the hearing that it withdrew the section 16(1)(b) ground and therefore no further consideration is necessary.

[26] With respect to the Opponent’s request to add the new section 16(1)(a) ground, considering the submissions of both parties, I agree with the Applicant that this request was made too late in the proceedings, after the filing of both parties’ evidence and written arguments, with no reason provided by the Opponent for the amendment being made at such a late stage. Accordingly, the requested leave to amend the statement of opposition is denied.

Admissibility of Applicant’s Evidence

[27] The Opponent objected to the admissibility of the Applicant’s evidence for the following reasons:

- The entire Ferraro Affidavit is inadmissible as Mr. Ferraro was an employee of the Applicant’s agent who was provided specific instructions regarding the searches conducted [Opponent’s written representations, para 48].
- Both the Bailey Affidavit and the Garg Affidavit introduce out of court written statements purporting to provide information on Coco Chanel’s life, fame and

influence and also suggest CHANEL is a well-known trademark, all of which is inadmissible hearsay [Opponent's written representations, para 46].

- Both the Bailey Affidavit and the Garg Affidavit provide evidence of the number of views of YouTube videos that were simply obtained from the YouTube website [Opponent's written representations, para 47].

[28] With respect to the admissibility of the Ferraro Affidavit, while it is true that Mr. Ferraro was an employee of the Applicant's agent at the time he conducted internet searches under the instruction of a lawyer of the Applicant's agent, the Ferraro Affidavit merely contains a description of the manner and nature of the searches conducted and attaches printouts of the results of these searches. The Ferraro Affidavit does not contain any conclusions, opinions or personal statements regarding the case or the evidence from Mr. Ferraro. As it is fairly routine for employees of agents for a party to submit affidavit evidence of state of the register and internet search results, I do not consider the Ferraro Affidavit to be improper or inadmissible [see *Cross Canada Auto Body Supply (Windsor) Limited et al v Hyundai Auto Canada*, 2005 FC 1254, 43 CPR (4th) 21; upheld by 2006 FCA 133, 53 CPR (4th) 286]. However, to the extent the Ferraro Affidavit contains hearsay evidence, such issues will be dealt with through the weight given to the evidence.

[29] Regarding the affidavits of Mr. Garg and Ms. Bailey, I see nothing improper about a party filing the evidence of senior members employed by a party or a related entity. I agree with the Applicant that by virtue of their positions, as well as the length of time the affiants have been employed by their respective employers, the evidence contained in the Bailey and Garg Affidavits is based on their direct, personal knowledge of the contents in their affidavits [Applicant's written representations, para 23]. To the extent that this is clearly not the case (such as the number of YouTube video views raised by the Opponent), the hearsay nature of the evidence will be dealt with as a matter of weight.

ASSESSMENT OF THE GROUNDS OF OPPOSITION

12(1)(d) - Registrability

[30] The Opponent pleads that the Mark is not registrable as it is confusing with the Opponent's registration no. TMA1012358 for the trademark GABRIELLE which was registered on January 8, 2019 in association with the following goods (defined earlier as the Opponent's Goods):

(1) Articles of clothing namely, dressing gowns, dresses, tunics, cardigans, leggings, scarves, belts, tutus, trousers, t-shirts and sweatshirts; headgear, namely hats, scarves, caps, earmuffs; footwear, namely, boots, shoes, slippers, flip-flops and sandal slides; jumpers, jumpsuits, shorts, tights, skirts, swimsuits, lingerie

[31] The relevant date for this ground of opposition is the date of the Registrar's decision [*Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd*, (1991), 37 CPR (3d) 413 (FCA)].

[32] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registration(s) relied upon is in good standing as of the date of the opposition decision. I have exercised my discretion to confirm that the registration relied on by the Opponent remains owned by the Opponent and extant [*Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

[33] I therefore find that the Opponent has satisfied its evidential burden. I must now assess whether the Applicant has met its legal burden.

The Test for Confusion

[34] The test to determine the issue of confusion is set out in section 6(2) of the Act, which stipulates 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 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.

[35] Therefore, section 6(2) of the Act does not concern confusion of the trademarks themselves, but of the goods or services from one source as being from another. Essentially, the question here is whether an average consumer, with an imperfect recollection of the Opponent's Trademark, would think that the goods contained in the application for the Mark emanate from, are sponsored by, or approved by the Opponent.

[36] 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, namely: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time they have been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) 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 [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 where the Supreme Court of Canada states at para 49 that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis.

Degree of Resemblance

[37] The Supreme Court of Canada suggested in *Masterpiece* that a consideration of the resemblance between the marks is where most confusion analyses should start. If the marks do not resemble each other, it is unlikely that even a strong finding on other factors would lead to a finding that there was a likelihood of confusion.

[38] When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality. The appropriate test is not a side by side comparison but an imperfect recollection in the mind of a consumer of an opponent's trademark [*Veuve Clicquot*, at para 20]. The preferable approach when comparing trademarks is to begin by determining whether there is an aspect of a trademark that is particularly striking or unique [see *Masterpiece* at para 64].

[39] In the present case, the Opponent's Trademark is a common given name which conveys the idea of a typically female given name or a female individual.

[40] As the Mark incorporates the Opponent's Trademark, there is necessarily some resemblance in appearance and sound between the trademarks of the parties. I note this even though I consider the most unique or striking element of the Mark to be the initial word "CHANEL'S" or the Mark as a whole and not the word GABRIELLE. The ideas suggested by the marks are different, however, as I note the Mark projects the idea of something that is owned by or possessed by Chanel, which is significantly different from the Opponent's Trademark, being simply a common given name.

[41] Section 6(5)(e) of the Act makes it clear that all of appearance, sound and idea suggested by the trademarks at issue are to be considered when assessing degree of resemblance for the purposes of a confusion analysis. As there are different and significant aspects of the degree of resemblance assessment that favour each party, I do not find that this factor favours either party.

Length of Time the Trademarks Have Been in Use

[42] The Opponent submits that the Opponent's Goods entered the Canadian market in early 2017 [Opponent's written representations, para 15 citing the Sidonio Affidavit, paras 23-25; Sidonio Affidavit, para 20]. The Opponent's evidence supporting the date of entrance in the Canadian market relates to shipments of samples of the Opponent's Goods from SARL Groupe Chrono Import (a company controlled by the Opponent) in France to sales agents in Canada in January 2017 [Sidonio Affidavit, para 20, Exhibit H]. The Opponent asserts that the shipment of samples is a normal process for introducing new products into a new market [Sidonio Affidavit, para 20]. The Opponent's Goods appear to have been provided free of charge as the only monetary amount reflected on the shipping documents is the amount of VAT charged [Sidonio Affidavit, Exhibit H].

[43] Generally, the free distribution of samples bearing a trademark is not use of that trademark in the normal course of trade except in certain circumstances [see, for example, *ConAgra Foods Inc v Fetherstonhaugh & Co* (2002), 2002 FCT 1257 (CanLII),

23 CPR (4th) 49 (FCTD), where the distribution of free samples was considered a regular step in the normal course of trade in the industry where the owner of the trademark was seeking to develop a market]. Jurisprudence supports the view that the free distribution of a product might constitute “use” under section 4(1) of the Act if it is done in anticipation of securing sales of the product [see *88766 Canada Inc v Spinnakers Brew Pub Inc* (2005), 48 CPR (4th) 70 (TMOB)]. It must be demonstrated, however, that the provision of samples was part of an overall activity with all the necessary commercial ingredients to make the sale or transfer of the goods in the normal course of business [*Lin Trading Co v CBM Kabushiki Kaisha* (1988), 1988 CanLII 9341 (FCA), 21 C.P.R. (3d) 417].

[44] The necessary commercial ingredients to make a sale or transfer of samples a sale or transfer in the normal course of trade was addressed as follows in *Canadian Olympic Association v Pioneer Kabushiki Kaisha*, (1992) 42 C.P.R. (3d) 470 at p.475:

“Where samples are shipped from a company to its Canadian distributor in advance of regular shipments of the goods for marketing, informational and promotional purposes and this is the regular practice of the parties and where the Canadian distributor then takes delivery of regular shipments of the goods and makes normal commercial sales of the goods, I consider that the transfer of the possession of the sample goods to the Canadian distributor constitutes use of the trademark in the normal course of trade. In other words, the facts in this case support the conclusion that the transfer of the sample goods was part of a dealing in the goods for the purpose of acquiring goodwill and profits from the trade-marked goods. Whether or not the sample goods themselves were eventually sold is irrelevant. In this regard, reference may be made to the decisions in *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 1988 CanLII 9341 (FCA), 21 C.P.R.(3d) 417 (F.C.A.); affg. (1987), 1987 CanLII 8980 (FC), 14 C.P.R.(3d) 32 (F.C.T.D.); affg. (1985), 5 C.P.R.(3d) 27 at 32 (T.M.O.B.) and *Argenti Inc v Exode Importations Inc* (1984), 8 C.P.R.(3d) 174 at 185 (F.C.T.D.)” (Emphasis mine)

[45] The Applicant submits that the early 2017 use of the Opponent’s Trademark is deficient given that there is no indication that the samples of the Opponent’s Goods were “in fact distributed to retailers or consumers” [Applicant’s written representations, para 88]. In my view, the missing component in the Opponent’s evidence is the lack of any evidence that the sales agents who received the samples of the Opponent’s Goods were also subsequently involved in normal commercial sales of the Opponent’s Goods [see *Olympic Association*]. Further, at least one of the shipping orders in Exhibit H to the Sidonio Affidavit clearly states “samples internal use not for sale; no commercial value”

which suggests that these samples of the Opponent's Goods were not part of any sales distribution chain.

[46] I also note that the Opponent's evidence describes its supply chain as follows:

[The Opponent's Goods] for the Canadian market are manufactured by one or more of the Authorized Manufacturers, at the instance of Molly US Corp...[The Opponent's Goods] are shipped to Molly US Corp's facility in Delta, British Columbia, from which they are distributed to retailers in Canada [Sidonio Affidavit, para 16].

[47] In my view, the Opponent is describing its standard trading operations in the above statement. As this statement makes no mention of the "sales agents" to which the free samples were distributed in early 2017, and for the reasons set out above regarding when the distribution of free samples will constitute "use" of a trademark in the normal course of trade, I do not consider the Opponent's distribution of free samples of the Opponent's Goods to constitute use of the Opponent's Trademark.

[48] The Opponent's evidence also includes invoices for orders for the manufacture of the Opponent's Goods from the Opponent's approved manufacturers in July and August 2017 [Sidonio Affidavit, paras 21 and 22, Exhibits J and K]. While these invoices may relate to the manufacture of the Opponent's Goods, they do not relate to "use" of the Opponent's Trademark in Canada as defined in section 4 of the Act and are not relevant for the purposes of this proceeding.

[49] Evidence of actual sales of the Opponent's Goods to Canada is limited to the sample of purchase orders attached as Exhibit K-1 to the Sidonio Affidavit, as well as Ms. Sidonio's statement that over 60,000 units of the Opponent's Goods have been sold to retailers in Canada since 2017 [Sidonio Affidavit, para 26]. Each of the purchase orders attached to the Sidonio Affidavit have all pricing information absent or redacted and it is unclear where the goods were shipped from, by whom and, in most cases, when, although the terms and conditions on the purchase orders list Molly Bracken US Corp. and the "Seller".

[50] Although the Opponent's evidence regarding use of the Opponent's Trademark in Canada is not particularly clear, the Sidonio Affidavit contains the uncontested

statement that over 60,000 units of the Opponent's Goods have been sold to retailers in Canada since 2017 [Sidonio Affidavit, para 25]. I therefore find that earliest date of first use for the Opponent's Trademark in Canada occurred in 2017, although exactly when in 2017 is not clear [Sidonio Affidavit, para 24, Exhibit K-1].

[51] The Applicant's evidence establishes use of the Mark in Canada with handbags in April and November 2017, and July 2018. While the Mark does not appear on the invoices, the model number for the Goods appearing on sales invoices is the same model number appearing on the tags attached to the handbags bearing the Mark on attached labels [Garg Affidavit, Exhibits R and Q]. I am therefore satisfied that the invoices show sales of the Goods to customers in Canada, and, accordingly, are evidence of use of the Mark in Canada.

[52] As I find the evidence demonstrates that both the Applicant and the Opponent commenced use of their respective trademarks in Canada in 2017, I do not consider either party to be favoured by this factor.

Inherent and Acquired Distinctiveness

[53] The Opponent's Trademark consists solely of the given name "Gabrielle". Trademarks comprised of given names are considered inherently weak and, as such, comparatively small differences will suffice to distinguish between weak marks [see *Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238 (FC) at 240; *Joseph Ltd v XES-NY Ltd* (2005), 44 CPR (4th) 314 (TMOB), *Prince Edward Island Mutual Insurance Co v Insurance Co of Prince Edward Island* (1999), 86 CPR (3d) 342 (FC) at paras 32-34; *Provigo Distribution Inc v Max Mara Fashion Group SRL* (2005), 46 CPR (4th) 112 (FC) at para 31; *Boston Pizza International Inc v Boston Chicken Inc* (2001), 15 CPR (4th) 345 (FC) at para 66].

[54] It has also been held that a party adopting a weak trademark accepts some risk of confusion [*General Motors Corp v Bellows* (1949), 10 CPR 101 at 115-116 (SCC)].

[55] The Mark also contains the given name "Gabrielle" along with the surname "Chanel", with surnames also being considered inherently weak [*Sarah Coventry*].

However, the Mark as a whole is set out in a somewhat unique possessive form which provides the Mark with some level of inherent distinctiveness that exceeds that of a mere given or surname or a full given name/surname combination. Accordingly, the Mark has a slightly higher level of inherent distinctiveness than that of the Opponent's Trademark.

[56] With respect to acquired distinctiveness, as discussed above, the evidence suggests that use of the Mark in Canada commenced in April 2017 while the Opponent's Trademark at an undetermined date in 2017. The evidence of use in Canada of the Opponent's Trademark is limited, with the Opponent simply providing cumulative unit sales of the Opponent's Goods since 2017 (being 60,000 units), details of advertising and promotional activities including signage in department stores, contests, online advertising including social media and social media influencers, and appearances at trade shows [Opponent's written representations, paras 15 and 16, Sidonio Affidavit, para 25].

[57] However, the Opponent did not file any evidence of advertising expenditures, annual or otherwise, nor did it file evidence of sales revenue in Canada for any period in which the Opponent's Goods were sold in Canada.

[58] The Applicant provided evidence covering the history of the CHANEL trademark, which has been used in Canada since at least as early as 1943 in association with perfumes, clothing and jewellery [Applicant's written representations, para 27].

[59] However, it is not the CHANEL trademark at issue in these proceedings and while extensive use of the Applicant's CHANEL house mark may be a relevant surrounding circumstance to the confusion analysis, it is not relevant to the assessment of acquired distinctiveness of the Mark itself [*Sealy Canada Ltd v Simmons Canada Inc*, 2012 TMOB 63]. I will therefore focus on the evidence relating specifically to use of the Mark. In this respect, the Applicant provided the following annual sales figures for the Goods in Canada [Garg Affidavit, para 42]:

	Canadian sales of CHANEL'S GABRIELLE handbags			
Year	2017	2018	2019	2020
Sales value exclusive of tax in CAD	4,500,000	7,500,000	9,000,000	5,000,000

[60] While the Applicant provided details of advertising expenditures for Chanel products, no breakdown indicating the proportion of this spending specifically associated with the Mark was provided [Garg Affidavit, para 26]. Accordingly, it is not possible to apply this evidence specifically to the assessment of acquired distinctiveness of the Mark.

[61] The Applicant also filed examples of the Mark being displayed on social media, in the press and by bloggers and influencers, however no details were provided regarding the circulation numbers for any of the advertising and promotional campaigns specifically associated with the Mark [Garg Affidavit, paras 43-45, Exhibits S, T and U].

[62] While the evidence filed by both parties is voluminous, neither party filed comprehensive evidence clearly demonstrating a high level of acquired distinctiveness of the trademarks at issue. In the end, I find this factor slightly favours the Applicant given the higher level of inherent distinctiveness of the Mark and the more detailed, annual Canadian sales revenue figures provided that support a finding of a higher level of acquired distinctiveness than the evidence relating to the Opponent's Trademark supports.

Nature of the Goods/Business

[63] When considering this factor in the assessment of confusion, it is the statement of goods as defined in the registration relied upon by the Opponent and the statement of goods in the application that govern the assessment of the likelihood of confusion [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[64] The Opponent submits that the goods of the parties “are all items to be worn or carried on one’s person”, that consumers can “fairly expect that a single business could be involved in the manufacture and sale of all such goods” and that, accordingly, the chances are increased that a consumer would infer that such goods bearing either the Opponent’s Trademark or the Mark would emanate from the same source [Opponent’s written representations, para 64].

[65] For its part, the Applicant submits the evidence establishes its goods are luxury and haute-couture items, while the Opponent’s evidence establishes that the Opponent’s Goods are “general mass market, low cost goods” [Applicant’s written representations, para 97]. The Applicant has also suggested that the connection of the Opponent’s Trademark to the Opponent’s MOLLY BRACKEN brand would further distinguish the Applicant’s Goods from those of the Opponent [Applicant’s written representations, para 103].

[66] I do not consider the fact that the Goods are generally considered to be luxury goods assists the Applicant in the assessment of this factor as there is no restriction on the Goods in the application for the Mark, or any exclusion of luxury items in the statement of goods in the registration for the Opponent’s Trademark.

[67] Further, I agree that the Applicant’s bags and other goods are accessories that either overlap with or are closely related to the clothing goods of the Opponent.

[68] The remainder of the Applicant’s submissions in respect of this factor focus on prior case law which the Applicant asserts represent situations similar to the present case, where the goods of the parties differed, *inter alia*, between luxury and non-luxury goods, as do the type of customer targeted by the parties [Applicant’s written representations, paras 98-103]. I find these cases to be of little, if any, assistance to the Applicant. Neither the statement of goods in the registration for the Opponent’s Trademark, nor the statement of goods in the application for the Mark contain any limitations on the quality or the price-point of the listed goods (i.e. luxury, budget, every day, casual and the like). Consequently, while the Opponent may not currently target

the high end or luxury market, the registration for the Opponent's Trademark is broad enough to cover goods of any price point or quality level.

[69] Finally, the fact that the Opponent may currently use its trademark in association with another of its trademarks does not lessen the rights granted to the Opponent under the registration for the Opponent's Trademark, being the exclusive right to use the registered trademark in Canada with the goods set out therein, regardless of whether that trademark is used in association with other trademarks and also regardless of the price point of the goods.

[70] Overall, I find this factor favours the Opponent.

Nature of the Trade

[71] The Opponent submits that goods such as those associated with the respective trademarks of the parties routinely travel in the same channels of trade and that the evidence demonstrates that the Opponent's Goods (being clothing, headgear and footwear) and the Applicant's Goods (being, *inter alia*, handbags), are both available at retail stores such as The Bay [Opponent's written representations, para 65]. Although the Opponent acknowledges that the Applicant's CHANEL handbags sold at The Bay are not specifically those associated with the Mark, the Opponent submits this evidence demonstrates that "it is a distinct possibility" that the Goods associated with the Mark could also be sold at the same stores as the Opponent's Goods [Opponent's written representations, para 65].

[72] For its part, the Applicant submits the parties operate along different channels of trade due to the fact that the Applicant's Goods are luxury products which are only sold in: i) CHANEL-branded stores operated by Chanel Canada, ii) CHANEL-branded boutiques operated by Chanel Canada in third party retail stores, iii) CHANEL-branded counters within third-party retail stores operated either by Chanel Canada or an authorized retailer, and iv) third party authorized retail stores [Applicant's written representations, paras 93 and 96, Garg Affidavit, para 9]. I note that the last mentioned channel of trade, being third party authorized retailers, is of particular interest given its

breadth and I see nothing in the evidence to suggest that such third party retailers could not also be retailers of the Opponent's Goods [Garg Affidavit, para 9].

[73] I do not consider the fact that the Applicant's prospective consumers may be wealthier or more sophisticated consumers of luxury items to diminish the potential for confusion. The test for confusion, as confirmed in *Masterpiece*, paras 68-74, is one of first impression and imperfect recollection of an average consumer in somewhat of a hurry. In my view, such a consumer, upon viewing the Mark would not immediately, on first impression, exclusively think solely of high end or luxury items, thereby excluding goods from lower cost markets. I therefore agree with the Opponent that the parties' channels of trade would likely overlap.

[74] I therefore find that this factor favours the Opponent.

Surrounding Circumstance – Well-known/Famous Trademarks

[75] I consider the acquired distinctiveness of the Applicant's CHANEL trademark to be a relevant surrounding circumstance. The Applicant filed considerable evidence relating to use and promotion of the CHANEL trademark both in Canada and abroad through both the Garg and Bailey Affidavits including:

- A history of use of the CHANEL trademark in Canada, which commenced in 1943 with CHANEL branded perfumes, clothing, and jewellery. Use of the CHANEL trademark in Canada had extended to make-up and skincare products by 1984, shoes, handbags and small leather goods by 1989, and eye wear by 1992 [Garg Affidavit, para 8].
- Sales of handbags in Canada exceeding \$400 million between 2012 and 2018 [Garg Affidavit, para 20].
- Numerous rankings of the CHANEL brand being one of the top global brands in the years 2016-2020 [Bailey Affidavit, para 43].
- Global sales figures for fragrance and beauty products associated with the CHANEL trademark exceeding \$2 billion USD in each of 2011 and 2012, and

exceeding \$3 billion USD annually from 2013 to 2017 [Bailey Affidavit, para 30].

- Global sales figures for fashion goods (including handbags but excluding haute couture) exceeding \$4 billion USD in each of 2011 and 2012, and exceeding \$5 billion USD annually from 2013 to 2017 [Bailey Affidavit, para 30].
- Global media expenditures exceeding \$7 billion USD in each of 2011, 2012 and 2013, exceeding \$8 billion USD in 2014, 2015 and 2016 and over \$9 billion in 2017 [Bailey Affidavit, para 31].
- Details of global advertising channels including magazines, digital advertising, social media, the *chanel.com* website, and fashion shows all featuring the CHANEL trademark [Bailey Affidavit, paras 34 and 35].

[76] I also note that the Opponent itself filed evidence that acknowledges the “global notoriety” of the CHANEL brand [Sidonio Affidavit, para 32].

[77] Based on the evidence of record, I find that the CHANEL trademark is fairly well-known in Canada in association with clothing, accessories (such as purses, wallets and shoes), and cosmetics, including perfume. I consider the reputation of the CHANEL trademark, being the initial element of the Mark in the possessive form, would assist consumers in distinguishing the source of the goods associated with the Mark. I therefore consider this to be a surrounding circumstance that strongly favours the Applicant [see *Smart Cloud Inc v International Business Machines Corporation*, 2019 TMOB 78 for a similar finding].

Surrounding Circumstance – State of the Register/Co-existence in the Marketplace

[78] The Applicant filed evidence of the state of the Canadian Trademarks Register showing the co-existence of trademarks comprised of given names with other marks that contain the same given name with a surname or other word matter, for example, the trademarks LAURA and LAURA ASHLEY are both registered in Canada with overlapping goods (clothing) and are owned by different entities [Ferraro Affidavit,

para 6]. The Applicant appears to be arguing that the use of given names and/or surnames is very common in the fashion industry.

[79] Whether or not this is true, this does not constitute an argument against a likelihood of confusion [see *Swimwear Anywhere Inc v Roxanne Nikki Designs Inc* 2008 CanLII 88296 (TMOB)].

In any event, as the trademarks at issue in this case are comprised of/contain names (given and sur) that are already low in inherent distinctiveness, it is not unexpected for the Register to contain numerous examples of various given names alone and the same given names with different surnames attached.

[80] The Applicant's evidence also includes two registrations containing a version of the name GABRIELLE in association with goods similar to those of the parties, namely TMA864426 for GABRIELLA & Design and registration TMA747027 for GABRIELLA ROCHA, both having different owners [Ferraro Affidavit, para 6]. I find that two registrations are not sufficient to draw inferences as to the commonality of the name GABRIELLE, or variations of this name, in trademarks for clothing and accessory items in Canada. Since a significant number of pertinent registrations have not been located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); and *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 1992 CanLII 14792 (FCA), 43 CPR (3d) 349 (FCA)], the state of the register does not favour the Applicant.

[81] With respect to the state of the marketplace evidence, the Applicant submits the Ferraro Affidavit "identifies third-party GABRIELLE-formative marks in Canada or on Canada-facing websites associated with clothing and swimwear and/or related retail services". The Applicant further submits that it has evidenced "a degree of co-existence among "GABRIELLE"-formative trademarks" by virtue of the internet searches for trademarks or trade names in Canada associated with clothing or the sale of clothing other than by the Applicant or the Opponent/entities related to the Opponent [Applicant's written representations, para 114, Ferraro Affidavit, paras 21 and 22, Exhibit L].

[82] As noted above under Preliminary Matters - Admissibility of Applicant's Evidence, little weight can be given to the Ferraro Affidavit due to the hearsay nature of the evidence contained therein. Hearsay issues aside, Exhibit L of the Ferraro Affidavit, at best, suggests there are less than five clothing stores in Canada containing the word "gabrielle" in their name, all located in the Province of Quebec. I would not have found that this evidence could have significantly assisted the Applicant since the web page printouts do not establish the extent to which Canadian consumers were aware of these clothing stores. Therefore, I am unable to conclude that there is common use of the component GABRIELLE such that I can infer that consumers are accustomed to distinguishing between trademarks including this component by paying more attention to the differences between them [*Advance Magazine Publishers Inc v Farleyco Marketing Inc. Eyeglasses* 2009 FC 153 at para 78].

[83] Accordingly, this is not a surrounding circumstance that favours the Applicant.

Surrounding Circumstance – Prior Registration of GABRIELLE CHANEL

[84] The Applicant submits that its prior Canadian trademark registration (TMA1094503) for GABRIELLE CHANEL in association with, *inter alia*, handbags, is a surrounding circumstance that favours the Applicant [Applicant's written representations, paras 14, 112 and 113].

[85] In support of this submission the Applicant relies on *Caesarstone Sdot-Yam Ltd v Ceramiche Caesar SPA*, 2016 FC 895 in which the Federal Court held that an application for the trademark CAESARSTONE & Design associated with services should have been viewed as an extension of a prior registration for the CAESARSTONE word mark covering goods, rather than a departure from this earlier registration. I find this case distinguishable from the present case given that the Federal Court was addressing the fact that the services in the pending application were an extension of the goods contained in the prior registration and not whether a prior registration covering overlapping goods somehow bolsters the strength or registrability of a similar, but notably different, trademark filed by the same owner.

[86] The Applicant appears to be arguing that its prior registration of GABRIELLE CHANEL with goods that overlap with those in the application for the Mark somehow assists the Applicant in securing a registration for the Mark. However, section 19 of the Act does not give the owner of a registration the automatic right to obtain further registrations no matter how closely they may be related to a prior registration [see *Benjamin Moore & Co v Home Hardware Stores Limited*, 2013 TMOB 41 (CanLII) at para, 23]. Accordingly, I do not consider this to be a surrounding circumstance that benefits the Applicant.

Surrounding Circumstance – No Evidence of Actual Confusion

[87] The Applicant submits that despite the Opponent alleging “extensive use and promotion of its mark GABRIELLE in Canada”, the Opponent did not allege or evidence any actual confusion between the Mark and the Opponent’s Trademark [Applicant’s written representations, para 115].

[88] While an Opponent is under no obligation to file evidence of actual confusion, the failure to file such evidence in the face of an extensive period of coexistence may result in a negative inference being drawn [see *Mattel Inc v 3894207 Canada Inc*, 2006 SCC 22]. However, I am not satisfied that the Opponent's failure to file evidence of actual confusion favours the Applicant given that the evidence of sales of the goods of both parties is limited to a few years.

[89] This is therefore not a surrounding circumstance of material significance.

Surrounding Circumstance – Jurisprudence Concerning Weak Trademarks

[90] The jurisprudence concerning weak trademarks favours the Applicant. Comparatively small differences will suffice to distinguish between weak trademarks [*Boston Pizza International Inc v Boston Chicken Inc* (2001), 2001 FCT 1024, 15 CPR (4th) 345 (FCTD) at para 66]. In *Provigo Distribution Inc v Max Mara Fashion Group SRL*, 2005 FC 1550 (CanLII) de Montigny J. explained:

The two marks being inherently weak, it is fair to say that even small differences will be sufficient to distinguish among them. Were it otherwise, first user of words in common use would be unfairly allowed to monopolize these words. A further justification given by

courts in coming to this conclusion is that the public is expected to be more on its guard when such weak trade names are used ...

[91] In my view, the differences between the parties' trademarks, namely that the Opponent's Trademark consists exclusively of a common given name, while the Mark includes the element CHANEL'S, not simply as a recognizable surname, but a surname as the initial element of the Mark in possessive form, are factors which would assist consumers in distinguishing between these two trademarks [see *McSheep Investments Inc (formerly Telpo Investments Inc) And Hemingway Ltd*, 2021 TMOB 58 at 74 for similar reasoning].

[92] Further, a party adopting a weak trademark has been held to accept some risk of confusion [*General Motors v Bellows* (1949), 1949 CanLII 47 (SCC), 10 CPR 101 at 115-116 (SCC)]. While the scope of protection afforded to a trademark increases if it has acquired distinctiveness, the evidence does not support a finding that the Opponent's Trademark has acquired a degree of distinctiveness that materially broadens its scope of protection.

Conclusion

[93] Having regard to the foregoing, I find that the balance of probabilities with respect to the issue of confusion weighs slightly in favour of the Applicant. I make this finding recognizing that there is significant overlap in the factors in sections 6(5)(c) and (d) of the Act. While there is also necessarily a fair degree of resemblance between the parties' marks, I find that the inclusion of the initial CHANEL'S element in the Mark significantly impacts the ideas suggested by the Mark in that it would clearly signal to the average consumer that the source of the Goods is the Applicant. I also consider that the jurisprudence on weak trademarks favours the Applicant as the Opponent's evidence of use is limited and does not broaden the scope of protection attributable to its trademark.

[94] Accordingly, the section 12(1)(d) ground of opposition is rejected.

38(2)(D) – NON-DISTINCTIVENESS

[95] Pursuant to section 38(2)(d) of the Act, the Opponent pleads that the Mark does not distinguish and is not adapted to distinguish the Goods of the Applicant from those of the Opponent associated with the Opponent's Trademark.

[96] The material date for this ground of opposition is the date of filing of the statement of opposition, namely, April 15, 2020 [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[97] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes the Goods from those of others throughout Canada, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness [see *Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[98] In order to meet its burden in respect of this ground, the Opponent must show that the reputation of its trademark prevents the Mark from being distinctive and the required level of use must be "substantial, significant" or constitute "sufficient reputation" in association with the relevant goods and services as of the material date [*Hilton Worldwide Holding LLP v Solterra (Hastings) Limited Partnership*, 2019 TMOB 133 citing *Bojangles' International, LLC v Bojangles Café Ltd.* 2006 FC 657]

[99] In the present case, while the Opponent has submitted some evidence of use of the Opponent's Trademark in Canada, the evidence is fairly limited with the earliest evidence of actual use being some point in 2017. The four purchase orders for these sales to businesses in Ontario either contained no prices or total dollar amount of the sale, or had this information redacted [Sidonio Affidavit, Exhibit K-1]. The Opponent did not file any evidence relating to the value of items sold in Canada, either annually or otherwise, and filed no evidence in respect of advertising expenditures. I find the Opponent's evidence falls short of meeting the required level of substantial or significant use or sufficient reputation in Canada to meet the Opponent's burden for this ground.

[100] In light of the above, I reject this ground of opposition.

38(2)(E) – ENTITLEMENT TO REGISTRATION

[101] Pursuant to section 38(2)(e) of the Act, the Opponent pleads that the Applicant was not using the Mark and did not propose to use the Mark in Canada in association with the Goods as of the August 20, 2018 filing date of the application.

[102] Section 38(2)(e) of the Act reads as follows:

(2) A statement of opposition may be based on any of the following grounds:

...

(e) that, at the filing date of the application in Canada, ... the applicant was not using and did not propose to use the trademark in Canada in association with the goods or services specified in the application

[103] The material date for this ground is therefore the filing date of the application.

[104] The principles set out in cases relating to the former section 30(e) ground of opposition, based upon whether an applicant had a *bona fide* intention to use the trademark in Canada, are instructive in regards to this new ground. As with the former section 30(e) ground, since the relevant facts are more readily available to, and particularly within the knowledge of, the applicant under a section 38(2)(e) ground of opposition, the evidential burden on an opponent in respect of this ground is light and the amount of evidence needed to discharge it may be very slight [*Allergan Inc c Lancôme Parfums & Beauté & Cie, société en nom collectif* (2007), 64 CPR (4th) 147 (TMOB); *Canadian National Railway v Schwauss* (1991), 35 CPR (3d) 90 (TMOB); *Green Spot Co v John M Boese Ltd* (1986), 12 CPR (3d) 206 at 210-211 (TMOB)].

[105] The Opponent's arguments in respect of this ground are two-fold given that the application for the Mark was based on both use (with Goods (1)) and proposed use (with Goods (2)). Accordingly, the Opponent has asserted that the Applicant had not used the Mark with the Goods (1) as of the filing date and also that the Applicant did not intend to use the Mark with the Goods (2) as of the filing date.

[106] With respect to the Goods (1), the Opponent did not make any direct submissions in respect of this ground, or more specifically how it has met its evidential burden for this ground as it relates to the Goods (1). Accordingly, the Opponent has failed to meet its evidentiary burden for this aspect of the section 38(2)(e) ground of opposition and it is therefore rejected as it concerns Goods (1).

[107] With respect to the Goods (2), filed on the basis of proposed use with the Mark, the Opponent has made fairly detailed submissions suggesting that the failure of the Applicant to use the Mark with the Goods (2) for “a long period of time”, being identified by the Opponent as the time period between the filing date of the application for the Mark (being August 20, 2018) and the date the Applicant’s evidence was filed (being July 2021) [Opponent’s written representations, paras 78 to 81].

[108] As noted above, the material date for this ground is the filing date of the application. An applicant is not required to file evidence of use of its trademark in opposition proceedings and is also not required to file evidence of its intention to use an applied-for trademark. Accordingly, as there is no evidence on record that, as of the material date, the Applicant did not intend to use the Mark in Canada, the Opponent has also failed to meet its burden in respect of the aspect of this ground of opposition as it relates to the Goods (2).

[109] As the Opponent has failed to meet its initial evidentiary burden for either the Goods filed on the basis of use or the Goods filed on the basis of proposed use, this ground of opposition is rejected.

38(2)(F) – ENTITLEMENT TO USE

[110] Pursuant to section 38(2)(f) of the Act, the Opponent pleads that “...the applicant was not entitled to use the trademark in Canada in association with the goods listed in the application”.

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

(2) A statement of opposition may be based on any of the following grounds:

...

(f) that, at the filing date of the application in Canada... the applicant was not entitled to use the trademark in Canada in association with those goods or services

[112] Accordingly, the material date for this ground of opposition is the filing date of the application.

[113] The Opponent has not made any representations concerning this ground of opposition or referred to any evidence of record to meet its evidentiary burden for this ground. From the statement of opposition, I understand that the Opponent is relying on the argument that consumers would be deceived into mistakenly believing that the Applicant's Goods are actually those of the Opponent. However, section 38(2)(f) does not address an applicant's entitlement to register a mark relative to another person's trademark, pursuant to section 16 of the Act. Instead, this section addresses an applicant's lawful entitlement to use the trademark, for example, in compliance with relevant federal legislation and other legal obligations prohibiting "use" of the trademark within the meaning of section 4 of the Act [see *Methanex Corporation v Suez International, société par actions simplifiée*, 2022 TMOB 155]. Accordingly, this ground of opposition is rejected. The Opponent has not provided any facts or argument to support this ground of opposition and, accordingly, has failed to meet its evidential burden.

DISPOSITION

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

Leigh Walters
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-06-19

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