

Federal Court



Cour fédérale

**Date: 20150413**

**Dockets: T-313-14  
T-314-14  
T-315-14  
T-316-14**

**Citation: 2015 FC 453**

**Ottawa, Ontario, April 13, 2015**

**PRESENT: The Honourable Mr. Justice Manson**

**BETWEEN:**

**ECLECTIC EDGE INC**

**Applicant**

**and**

**VICTORIA'S SECRET STORES BRAND  
MANAGEMENT, INC**

**Respondent**

**JUDGMENT AND REASONS**

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## I. Background

[1] There are four section 56 applications by the Applicant, Eclectic Edge Inc [Eclectic Edge], relating to four Registrar's decisions, refusing each of the Applicant's trademark applications based on either registration and use, or application and use in Singapore, and on proposed use in Canada, filed August 1, 2008, for the trademarks:

VALENTINE SECRET (application No. 1,405,838) [the Applicant's Word Mark];

**VALENTINE SECRET**

i. VALENTINE SECRET & DESIGN (application No. 1,405,840) [the Applicant's Design mark];

VALENTINE  
*Secret*

- ii. VS A SECRET THAT WOMEN LOVE & DESIGN (application No. 1,405,835) [the Applicant's Vs mark];



- iii. VALENTINE SECRET LINGERIE & DESIGN (application No. 1,405,839) [the Applicant's Design Mark];



Each is for use in association with, *inter alia*, women's clothing, including bathing suits, underwear, clothing for gymnastics, undergarments, underwear, camisoles and lingerie, based on successful oppositions to these applications by the Respondent Victoria's Secret Stores Brand Management Inc [Victoria's Secret and/or VS].

- [2] Victoria's Secret based each opposition on four grounds:
- a. the Applications did not comply with section 30(i) of the *Trademarks Act*, RSC 1985, c T-13 [the Act], as amended;
  - b. the Applicant's Marks were not registerable by reason of section 12(1)(d) of the Act;
  - c. the Applicant was not entitled to registration of the Applicant's Marks by reason of section 16(3)(a) of the Act; and
  - d. the Applicant's Marks were not distinctive, within the meaning of section 2 of the Act.

[3] As a preliminary matter, the Hearing Officer found that the state of the register evidence introduced as exhibits to the cross-examination of Carol Matorin on behalf of the Respondent, as

well as the additional state of the register evidence referred to in the Applicant's submissions, was improperly introduced. She found that she could not exercise her discretion to take cognizance of the state of the Registrar's records, except to verify whether the trademark registrations or applications claimed by an opponent are extant. She also found that the introduction of registrations via cross-examination was not appropriate, and consequently disregarded this evidence.

[4] The Registrar also rejected the section 30(i) bad faith ground of opposition, but found in favour of Victoria's Secret on the grounds of likelihood of confusion (section 12(1)(d) and 16(3)(a) of the Act) and non-distinctiveness (section 2 of the Act). The Registrar relied on the Respondent's registered trademarks, particularly referring to the Respondent's VICTORIA'S SECRET (and registrations TMA313,969; TMA432,093 and TMA538,755) and VS SPORT & DESIGN (and registration TMA521,341) marks [the VS marks]. In considering the section 6 factors of the Act relevant to establishing a likelihood of confusion, the Registrar found that all five listed factors favour the Respondent:

- a. factor 6(5)(a) – distinctiveness of the trademarks and extent to which they have become known. The TMOB found that this factor favoured VS. The VS Trademarks were found to be inherently distinctive. The TMOB canvassed VS' substantial evidence on the use and reputation of the VS Trademarks in Canada, including the: (i) expenditures in promoting the VS Products; (ii) various sales channels in which VS Products are sold and offered for sale; (iii) number of catalogs mailed to Canadians; (iv) figures for sales of VS Products to customers through its mail order business; and (v) opening of VICTORIA'S SECRET retail locations;
- b. factor 6(5)(b) – length of time each trademark has been in use. Since there was no evidence that the Applicant's Trademarks had been used in Canada, the TMOB found that this factor favoured VS;
- c. Factor 6(5)(c) - nature of the wares, services or business. The TMOB found that almost all of the Eclectic Wares were either closely related to or overlapped with the VS Products. Accordingly, this factor favoured VS;

- d. factor 6(5)(d) – nature of the trade. In the absence of evidence to the contrary, the TMOB presumed that the parties’ channels of trade would overlap. This factor favoured VS;
- e. factor 6(5)(e) – degree of resemblance between the trademarks in appearance, sound or ideas suggested by them. The TMOB found there was a significant or high degree of similarity in appearance between the trademark VICTORIA’S SECRET and the Applicant’s Word Mark, Applicant’s Design Mark and Applicant’s Lingerie Mark. The TMOB found there was some resemblance in terms of sound and that the parties’ respective trademarks suggest a similar idea, (i.e. something secretive or hidden, in respect of Valentine’s Day, or an anonymous woman named Victoria).

[5] The parties do not dispute the TMOB’s findings of fact in respect of the section 30(i) bad faith ground of opposition or with respect to the factors covered by subsections 6(5)(a) to 6(5)(d) of the Act. What is in dispute is the degree of resemblance and likelihood of confusion, as determined under factor 6(5)(e) of the Act, and applied to the issues of confusion and lack of distinctiveness.

[6] Both parties filed new evidence on appeal.

## II. Issues

[7] The issues in this application are as follows:

- A. What is the appropriate standard of review for this appeal?
- B. Are the attacks on the Dori Ludwig Walton Affidavit unfounded?
- C. Are the Applicant’s Trademarks confusing with the Respondent’s Trademarks?
- D. Are the Applicant’s Trademarks distinctive?

## III. Analysis

[8] For the reasons that follow, I find that:

- A. The standard of review is correctness; however, even if the appropriate standard were to be reasonableness, I would reach the same decision;
- B. The parties agree that the attacks on the Walton affidavit do not affect the decision of the Court, given that the evidence in that affidavit is found elsewhere in the evidence before

the Court; however, use and reliance on affidavit evidence of solicitors for a party or members of the solicitors' firm in a proceeding is to be discouraged, particularly when it relates to the merits of the proceeding, and I give the affidavit no weight;

- C. The Applicant's Word Mark, Design Mark and Lingerie Mark are not likely to be confusing with the Respondent's trademarks;
- D. The Applicant's Vs mark is likely to be confusing with the Respondent's VS mark and Victoria's Secret marks;
- E. The Applicant's Word Mark, Design Mark and Lingerie Mark are distinctive. The Applicant's Vs mark is not distinctive.

A. *The Appropriate Standard of Review*

[9] The parties are agreed that the appropriate standard of review is reasonableness, unless new evidence has been adduced on appeal under section 56 of the Act that would have materially impacted the Registrar's decision (*Molson Breweries v John Labatt Ltd*, [2000] FCJ No 159 (FCA) at paras 48-51 [*Molson*]), in which case the standard to be applied is correctness.

[10] A *de novo* review on appeal will only be conducted if the new evidence is material in the sense of being sufficiently probative and significant to potentially materially affect the findings of fact by the decision maker. Materiality is viewed on a qualitative, not quantitative basis (*Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 at para 27).

[11] The Applicant's new evidence relates to the state of the register and state of the marketplace (affidavits of Sandro Romeo, Caroline D'Amours and Judith Lee). The Respondent filed new evidence in the affidavits of Sarah Crispi and Dori Ludwig Walton, of which the Crispi affidavit relates to licensing control of the Respondent's VS trademarks in Canada.

B. *Applicant's new evidence*

(1) Sandro Romeo

[12] Mr. Romeo works for Thomson CompuMark, as a Trademark Research-Analyst. He has been so employed for approximately seventeen years, conducting trademark searches and interacting with clientele.

[13] On March 6, 2014, Mr. Romeo conducted the Canadian trademarks database and registers of internet domain name portions of a Full Dilution search, also referred to as a "How Common?" search, for the term "secret" along with the categories of women's clothing and undergarments, cosmetics, retail services relating to the aforementioned goods, and classes 3, 25 and 35. This search is designed to inform a client of the number of occurrences of a word element of a trademark in a specific industry.

[14] Mr. Romeo searched the Thomson CompuMark trademarks register database, which is compiled by periodically entering the registrations of trademarks in the Canadian trademarks register from the Canadian Intellectual Property Office [CIPO]. The most recent update to the database before the March 6, 2014 search was March 5, 2014, and comprised records registered with CIPO prior to February 24, 2014. Mr. Romeo searched for occurrences of the term "secret" in trademarks applied for or registered for use in association with the aforementioned goods and services.

[15] Mr. Romeo's search revealed a significant number of registrations and pending applications for trademarks involving the word "secret". In particular, it uncovered the following:

- a. 315 registrations and pending applications for trademarks incorporating the word "secret" for use in association with clothing, cosmetics, and/or retail sales of clothing or cosmetics;
- b. 99 entities own trademark registrations or pending applications to register trademarks comprising or containing the word "secret", for use in association with clothing, cosmetics, and/or retail sales of clothing or cosmetics;
- c. the 315 registrations and pending applications referred to above include the following:
  - i. SECRET is registered for use in association with underwear, undergarments and lingerie, by Doris Inc. (TMA521832);
  - ii. SECRET TREASURES is registered for use in association with sleepwear and lingerie by Wal-Mart Stores, Inc. (TMA567762);
  - iii. SECRETS FROM YOUR SISTER is registered for use in association with retail store services featuring women's lingerie, by Secrets From Your Sister Inc. (TMA715948);
  - iv. LADY'S SECRET & Design is registered for use in association with components for women's footwear, by Groupe JLF (Application number 1634040);
  - v. EUROPEAN SECRET is registered for use in association with head coverings by Henchy Monheit, doing business as Design Par Anne Monette (Application number 1657973);
  - vi. An application to register SUZY'S SECRET in association with women's clothing, filed by Suzy's Inc., pending (Application number 1657641).

[16] In conducting the domain name search, Mr. Romeo used the Thomson CompuMark Domain Names database which updates with domain name data from all domain name registrars accredited by the Internet Corporation for Assigned Names and Numbers, to include domain names registered with the following terminations:

aero,.biz,.ca,.cat,.com,.coop,.edu,.gov,.info,.mobi,.name,.net,.org,.pro,.travel. The database is updated three times per week, and was also updated on March 5, 2014. Mr. Romeo searched for domain names with the prefix "secret" and the terms clothing, apparel, undergarment, underwear, cosmetic, makeup, and retail.



[17] The Romeo affidavit also introduces the results of a search for registered domain names incorporating the word “secret”. The search uncovered 67 registered domain names incorporating “secret”. The domain name *secret.ca* is owned by Doris Hosiery Mills Ltd., which appears to be related to the entity Doris Inc., which owns the trademark registration for SECRET (TMA521832) in association with underwear, undergarments and lingerie.

(a) *Cross-Examination*

[18] Mr. Romeo’s How Common? search yielded 457 results from which he was instructed to eliminate inactive trademarks, and those that did not relate to the goods and services specified. The results were not filtered for applications that had not yet been advertised, or were based solely on use in Canada. He did not endeavour to investigate whether the owners of the marks offer the listed goods and services in Canada, or are used in Canada.

[19] He admitted that his search yielded only marks with the word “secret” preceded by a word beginning with a “v” owned by the parties to this litigation.

[20] Regarding the domain name search, Mr. Romeo clarified that ‘prefix’ refers to the portion of the domain name that appears before the dot. His search looked for the word “secret” in combination with the words listed in his report. This search was not limited to Canadian-hosted websites, and to the best of his knowledge, the results do not indicate how many people in Canada might have visited the sites listed. He did not search the content of the webpages listed.

(2) Caroline D'Amours

[21] Ms. D'Amours has been an employee of Thomson CompuMark for fifteen years as a Trademark Research-Analyst, conducting mostly trademark searches.

[22] On March 6, 2014, Ms. D'Amours conducted the Canadian Common Law sources and Canadian official business name registers portions of the Applicant's counsel's How Common? search. The Canadian Common Law sources contain trademarks, trade names and company names found and published in trade directories, trade journals, electronic databases and other market sources. Regarding the Canadian official business name search, she specifically consulted the NUANS database, which includes existing corporation names and registered business names for federally registered corporations for all provinces except Quebec. Other databases were used to search registered corporations and business names in Quebec.

[23] She consulted the Thomson CompuMark's Canadian Common law sources and Canadian official business name registers to identify instances of the word "secret" being used as part of a trademark or company name. She restricted the search where possible to results pertaining to women's clothing and undergarments, cosmetics, and retail services relating to the aforementioned goods. The results showed:

- a. 170 corporations or registered business names incorporating the word "secret" in their name on the NUANS database, covering all of Canada outside of Quebec;
- b. 10 entities located in Quebec that appear to either (a) have a name incorporating the word "secret", (b) use the trademark SECRET, or (c) distribute products branded with the trademark SECRET;
- c. 49 entries in the database maintained by Dun & Bradstreet, for entities having the word "secret" in their name; nineteen of which appear to operate in the field of clothing; and
- d. 12 companies having the word "secret" in their name and a "CA" number assigned by the Government of Canada for the purpose of identifying manufacturers of apparel.

(a) *Cross-Examination*

[24] Ms. D'Amours differentiated between her contribution to a 'How Common?' search and a comprehensive trademark search by stating that in the former she prints everything for a client rather than just citing a few marks found.

[25] In the present search, Ms. D'Amours received instructions through a work order. She was not given any background as to why the search was being conducted.

[26] Ms. D'Amours did not review her results or investigate them after conducting her search. She did not visit or call any of the businesses listed. She did not investigate if they are active businesses, or if they offer goods or services in Canada or to Canadian customers. She admitted that the search results appeared to include some inactive or dissolved businesses.

(3) Judith Lee

[27] Ms. Lee is also employed by Thomson CompuMark, and has been for approximately ten years. Her work mostly consists of conducting web trademark searches and interacting with clientele.

[28] On March 7, 2015, Ms. Lee conducted the Web Common Law (Extended) Search portion of the Applicant's Counsel's How Common? search. As she describes it, this type of search "is designed to provide information on the number of occurrences of a word or combination of words that are used on the Internet as trademarks, trade names or business names in a specific

industry.” It searches for occurrences of the words specified individually or in combination relating to particular goods and services indicated in the search.

[29] The Web search conducted by Ms. Lee used Thomson CompuMark’s internal search application, which compiles information from Bing, Google, and Yahoo’s search engines. Various terms were searched to find websites relating to women’s clothing and undergarments, cosmetics, and retail services relating to the aforementioned goods where “secret” appears in a significant way. Similar to the searches of Mr. Romeo and Ms. D’Amours, Ms. Lee’s search uncovered significant numbers of business entities allegedly using the word “secret” as part of a trademark in association with clothing and other related goods. The search shows:

- a. 29 web sites of businesses that appear to operate in the field of women’s clothing, or retail services relating to women’s clothing, including THE CLOTHES SECRET, SECRET LOCATION, SECRET BRA, SECRETFASHION.COM, THE SECRET BOUTIQUE and MY SECRET LINGERIE STORE;
  - a. 21 appear to be retailers of women’s clothing;
  - b. 7 appear to be producers of women’s clothing sold in association with a trademark containing the word “secret”;
  - c. 12 appear to be either retailers or producers of women’s lingerie or undergarments.

(a) *Cross-Examination*

[30] In her second and third queries in the search, Ms. Lee excluded the terms “Victoria’s”, “Victorias” and “Victoria”, since she had encountered so many results involving them. She made the decision to exclude these words herself, since she did not want to duplicate the information in her report after having noted a high instance of the use of “secret” along with the above variations on the word “Victoria”.

[31] Ms. Lee did not personally visit each website listed in her search report, but her computer system generated screen shots of each webpage.

[32] While conducting this search, Ms. Lee was located in the United States, and is not certain if the listed websites are accessible from Canada. She further did not limit her search to websites hosted in Canada, or whether they provided services for purchase by Canadian residents. Her results did not indicate how many people in Canada had visited the listed sites.

C. *Respondent's New Evidence*

(1) Sarah Crispi

[33] Ms. Crispi has been a Senior Counsel at L Brands Inc. (formerly Limited Brands Inc.) since February of 2012. She supervises and manages trademark prosecution and enforcement efforts for Victoria's Secret Stores Brand Management Inc. [VSSBM], a company owned by L Brands Inc.

[34] Ms. Crispi confirmed that the licensing agreement referred to by Ms. Matorin in her affidavits regarding Victoria's Secret Canada's use of VSSBM's trademarks has been put into writing, and included some excerpts as an exhibit to her affidavit.

[35] She further stated that all products associated with the trademark Victoria's Secret, among others owned by VSSBM offered in Canada, originate from the same sources or meet corresponding standards of character and quality.

(a) *Cross-Examination*

[36] Ms. Crispi confirmed that the sale of Victoria's Secret products in Canada is executed through separate business entities; one operates brick and mortar stores, and another online and catalog sales.

[37] The products these businesses sell come from a common pool of factories and distribution centres, which deliver goods for sale. While their licensing agreements allow for them to source directly from manufacturers if they adhere to particular quality standards, it is Ms. Crispi's understanding that is not how their businesses are actually conducted. She confirmed that VSSBM and Victoria's Secret International have a licensing agreement, under which the latter is allowed to sublicense the use of Victoria's Secret trademarks. It includes a list of all of the marks that are the subject of the agreement, none of which include the word "Valentine". Her understanding is that all Victoria's Secret products sold in Canada bear the Victoria's Secret trademark on them somewhere.

(2) Dori Ludwig Walton

[38] Ms. Ludwig Walton was a law clerk at Blakes, Cassels & Graydon LLP. She reviewed Ms. Matorin and Ms. Crispi's affidavits in preparing her own. She included a number of photocopied pages from each as exhibits to her affidavit.

[39] As I stated above, I give this evidence no weight, given that the affiant is an employee of the solicitors for the Respondent and her evidence is directed to perceived visual similarity of use

of the Respondent's trademarks in Canada with use of those trademarks in Indonesia. This evidence is, in any event, of no consequence to my decision.

D. *Materiality of the New Evidence*

[40] The Applicant's new evidence is material to the factual basis for review of the common use of the word "secret" in trademarks and in the marketplace by third parties in Canada for lingerie, women's clothing and related goods, which was disregarded by the Opposition Board. It goes to the heart of the Court's determination of likelihood of confusion and accordingly I treat this proceeding as a *de novo* review. While the weight to be given this evidence is discussed below and has some problems, I nevertheless find it to be material.

[41] As well, the Respondent's new evidence of Sarah Crispi is material to the proper licensed control of the Respondent's trademarks in Canada and is material to this Court's analysis of the facts on the issue of the ambit of protection for the Respondent's trademarks in Canada.

[42] The appropriate standard of review is correctness.

(1) The Walton Affidavit

[43] As stated above, while the parties agree that the facts in the Walton affidavit are found elsewhere in the evidence, and it is of little or no consequence to this matter, I also find that evidence from a solicitor of record's firm going to the merits of an issue in the proceeding is not to be considered by the Court, and on this basis alone I give the Walton affidavit no weight.

E. *Are the Applicant's Trademarks Confusing with the Respondent's VS Trademarks?*

[44] In addition to the new evidence filed, during the Opposition Proceedings, the Applicant filed no evidence, while the Respondent relied on the affidavits of Carol Matorin, Brian Kuchar and Kaitlin MacDonald.

(1) Carol Matorin

[45] Ms. Matorin is the Senior Vice President, Senior Counsel for VSSBM. She has held this position since 2001.

[46] VSSBM is the owner in Canada and elsewhere of the trade-mark "Victoria's Secret" among others comprising the words "Victoria's Secret" [the Victoria's Secret Trade-marks]. Victoria's Secret is also the owner of the Canadian trade-mark registrations and pending applications for several Victoria's Secret trademarks covering various goods and services, including but not limited to lingerie, undergarments, robes, slippers, underwear, nightwear, sweatpants, tank tops, t-shirts, sport bras, clothing and exercise wear and related goods and services. Included as exhibit A to her affidavit is a chart listing the Victoria's Secret Trade-marks and their respective Canadian registration numbers and dates: VICTORIA'S SECRET, TMA313,969; VICTORIA'S SECRET, TMA432,093; VICTORIA'S SECRET, TMA538755; and VS SPORT, TMA521,341).

[47] Victoria's Secret licenses the use of its trademarks, including the Victoria's Secret Trademarks, to various related companies who sell and offer products and services in association with these trademarks in Canada and elsewhere.



[48] The trademark Victoria's Secret was first used in the United States as early as 1977 by Victoria's Secret's predecessors in interest. Many products are sold in association with these trademarks, including clothing and accessories. Their use is licensed outside of the United States to its related company Victoria's Secret International S.a.r.l [VS International] pursuant to a Master License Agreement. VS International then sublicenses the Victoria's Secret Trade-marks for market, sale, catalog execution, and internet orders from and to locations outside of the US, to Victoria's Secret Direct Brand Management. Victoria's Secret has maintained the right to control the character and quality of goods sold, and services offered in association with the Victoria's Secret Trade-marks through this Master License Agreement, and parallel provisions in sublicense agreements.

[49] In opening the Victoria's Secret and Victoria's Secret Pink retail stores in Canada, VS International was in the process of reducing to writing its existing oral sub-license with Victoria's Secret (Canada) Corp. [VS Canada] to operate these stores. This oral sublicense contains provisions regarding Victoria's Secret's right to control the character and quality of goods sold, and services offered in association with the Victoria's Secret Trade-marks.

[50] Substantial amounts of money have been spent marketing and promoting VS Products internationally (annually from 2004 to 2009). Through their mail-order business products are regularly sold and sent to many addresses in Canada. Worldwide, between 7,802,104 and 5,476,444 catalogs have been mailed annually in the years 2002 to 2008. Ms. Matorin included some examples of promotional materials and catalog extracts from between 1998 and 2010 distributed throughout the world, including Canada, as exhibit E to her affidavit.

[51] Canadian sales for the years 2003 to 2008 through Victoria's Secret mail order business ranged, but were significant annually, and exemplify a steady increase.

[52] In 2007, Victoria's Secret's parent company, Limited Brands Inc, acquired La Senza Corporation in Canada, which operated 318 stores at the time. Between 2007 and 2010 some Victoria's Secret Beauty Products were sold in La Senza stores across Canada. In 2009 certain VS Products became available at six Victoria's Secret pink retail stores in Ontario. In August 2010, the first Canadian Victoria's Secret store opened in Edmonton, and other locations opened subsequently in some of the major cities in Canada. Products are also for sale in Canada through the Victoria's Secret website, which has displayed the Victoria's Secret trademark consistently since at least 2004.

(a) *Cross-Examination*

[53] Ms. Matorin admitted that she is not particularly familiar with the Canadian market for women's apparel, including lingerie. It is her opinion that Victoria's Secret is and was a recognizable brand in Canada as far back as 1995. This belief is based on their significant sales figures in Canada throughout the years, and Canadian interest in the broadcast of the Victoria's Secret fashion show.

[54] Ms. Matorin clarified that the parallel nature of the quality control provisions of the trade-mark sublicense and Master License Agreement referred to in her affidavit was based on the inclusion in both of quality control and quality standards to be set by the licensor and

complied with. Since the time of writing her affidavits, the oral sublicense with Victoria's Secret Canada Corp previously referred to has been put into writing.

[55] It was confirmed that there is now a single mail order catalog for Victoria's Secret that is distributed internationally. Canadians order off of this catalog with US dollar prices listed.

[56] The figures included for marketing dollars spent in Ms. Matorin's affidavits showed only 'international' spending. She clarified that the figures she included for annual Canadian sales do not include La Senza products and relate only to Victoria's Secret products.

[57] While there has been a challenge to the reliability of the Matorin affidavit, I agree with the Opposition Board that her experience and office with the Respondent puts her in the position to have reliable, personal knowledge of the facts she attests to, notwithstanding some lack of knowledge of certain facts evident from her cross-examination. As well, the corroborative evidence of Ms. Crispi, given as new evidence, supports this finding.

(2) Brian Kuchar

[58] Mr. Kuchar was an articling student with Blakes, Cassels & Graydon LLP. He conducted google searches in August, September and October, 2010 for the phrase "Victoria's Secret" in conjunction with "Toronto" and "Mississauga" using the search engine's news feature.

[59] In August, September and October of 2010, Mr. Kuchar observed information regarding the opening of the Victoria's Secret retail stores in the greater Toronto area in newspaper publications.

[60] On September 28, 2010, he attended a Victoria's Secret retail store at Yorkdale Mall in Toronto, and observed various goods for sale displaying the trademark VICTORIA'S SECRET on their labels and products. He also observed some products that displayed the VICTORIA'S SECRET trademark on their packaging. He purchased a pair of underwear, a tank top, and a pyjama top on this visit.

[61] On December 6, 2010, Mr. Kuchar attended the Victoria's Secret store in the Eaton Centre and took digital pictures of the outside signage displayed at the store.

(a) *Cross-Examination*

[62] Mr. Kuchar's personal understanding of the google news search function is that it "aggregates content that is available in newspapers and periodicals that are available throughout" the internet. He knows nothing about how the results are populated, maintained, and the information gathered. He could not recall if the word "Canada" appeared under "google news" on the website, indicating a limitation on his search to Canadian content, but did remember that he did not use the "advanced search" feature. He was not aware of how many Canadians had viewed the articles he included with his affidavit.

[63] When asked about his Lexis Nexis search, he admitted that he did not investigate how many of the publications included on the database were still in existence, how they were distributed, or their circulation in Canada. He admitted that many of the 'hits' in his search were not followed up on to make sure they relate primarily to Victoria's Secret, or if the company was just casually mentioned.

(3) Kaitlin MacDonald

[64] Ms. MacDonald was a summer student with the firm Blakes, Cassels & Graydon LLP. On July 30, 2010 she conducted a Lexis Nexis search in the CANPUB database for cover articles between July 30, 2005 and July 30, 2010 containing the phrase "Victoria's Secret". This search yielded 2858 matching articles.

[65] In August, 2010, Ms. MacDonald conducted google searches for the phrases "Victoria's Secret" and "VS", as well as the term "Victoria's Secret" together with the word "Edmonton". The first search yielded 13,100,000 hits, the second yielded 1,050,000, and subsequent searches showed multiple news articles relating to the opening of the Victoria's Secret store in Edmonton.

[66] Ms. Macdonald attended two stores selling Victoria's Secret products in early August of 2010 (Victoria's Secret Pink store at Yorkdale Mall, La Senza at TD Bank Tower) and confirmed that numerous clothing and undergarments bear the VICTORIA'S SECRET trademark in their design and labelling. She also saw accessories and cosmetic products bearing the mark on their packaging and design. She purchased a range of products evidencing this treatment of the mark.

[67] Ms. MacDonald witnessed billboards in Toronto advertising the opening of Victoria's Secret stores.

[68] On August 12, 2010, she also noted a news feature on "the National" highlighting the opening of the Victoria's Secret store in Edmonton. She visited the CBC website the next day to watch the feature entitled "Sexy Canadian Retail Debut" which contained numerous references to Victoria's Secret.

(a) *Cross-Examination*

[69] In cross examination Ms. MacDonald confirmed that other than the specific trademarks and application numbers referenced in her August 16 and 19, 2010 affidavits, the documents are identical.

[70] In conducting her Lexis Nexis CANPUB search, Ms. MacDonald confirmed that she has received only basic training from the firm on using the database, and did not investigate how many of the publications listed are still in existence, whether they are online or in print, and their circulation in Canada.

[71] In discussing the results of her google searches, Ms. MacDonald admitted that she knows very little about the google search engine, and does not know how it populates or gathers information, nor how is maintained. She did not review the 13,100,000 hits for relevance, nor is she aware of how many Canadians accessed or viewed them. In discussing the National segment Ms. MacDonald admitted she was similarly unaware of its Canadian viewership.

F. *Onus and Material Dates*

[72] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is, however, an initial burden on the Opponent to put forward sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist (*Molson*, above, at 298; *Christian Dior, SA v Dion Neckwear Ltd*, 2002 FCA 29).

[73] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 – the filing date of the application;
- Section 38(2)(b)/Section 16(3)(a) – the filing date of the application;
- Section 38(2)(b)/Section 12(1)(d) – the date of the Opposition Board decision;
- Section 38(2)(d)/non-distinctiveness – the date of filing of the opposition

[74] The parties conceded during oral argument that the Opposition Board's findings with respect to the section 30(i) ground of non-conformity and section 16(3)(a) ground of non-entitlement are not at play on this appeal.

[75] The only real issue for the Court to decide is whether the Applicant's applied-for trademarks are likely to be confusing with the Respondent's asserted VS marks and therefore non-registerable under sections 38(2)(b) and 12(1)(d) of the Act, and non-distinctive contrary to section 2 of the Act. While the relevant dates for each ground are different, the test for likelihood of confusion is essentially the same.

(1) Likelihood of Confusion – the Applicant’s Word Mark, Design Mark and Lingerie Mark

[76] Unsurprisingly the Respondent agrees with TMOB’s finding there is a significant degree or high degree of similarity between the trademark VICTORIA’S SECRET and the Applicant’s Word Mark, Design Mark and Lingerie Mark.

[77] As well, in looking at the “surrounding circumstances”, including that heart designs used in association with the Vs Trademarks evoke ideas of romance, beauty and sex appeal, and the ideas suggested by the two parties’ trademarks, the TMOB determined they lead to a likelihood of confusion (*Philip Morris Products SA v Marlboro Canada Ltd*, 2012 FCA 201 at paras 72-77).

[78] Moreover, the Respondent submits that:

- i. in both instances of the parties’ trademarks in issue, the word SECRET is preceded by a multi-syllabic word beginning with the letter “V”;
- ii. both VICTORIA’S SECRET and VALENTINE SECRET are abbreviated to “VS”, “V SECRET”, and other similar combinations;
- iii. given the fame of the VS Trademarks and VICTORIA’S SECRET in particular, a trademark consisting of a V-formative word followed by the word SECRET will be associated with VS.
- iv. foreign use of the Applicant’s trademarks is a relevant surrounding circumstance.

[79] The parties are agreed that the test for likelihood of confusion is whether, in the minds of an ordinary person having an imperfect recollection of that other mark, the use of both marks in the area in the same manner is likely to lead to the inference that the wares and/or services associated with those marks are offered or performed by the same person – which includes any



inference that the applicant's wares and/or services are approved licensed or sponsored by the opponent (*Miss Universe, Inc v Bohna*, [1995] 1 FC 614 at p 6 (FCA)).

[80] The problem with the Respondent's position, and that of the Trademarks Office [TMO] on likelihood of confusion, is that they ignore a number of fundamental legal issues and facts as presented in this case. While there is no question that the Respondent's VICTORIA'S SECRET and VS marks are well-known, if not famous in Canada, and I accept there is proper licensed control over use of those marks by the Respondent based on the evidence, nevertheless:

- a. The Respondent invites the Court to dissect the parties' respective trademarks in issue, by looking at "multi-syllables" and "V-formative" words. That is not the proper approach. The Court must look at the trademarks without dissecting them into component parts, as a matter of first impression to the relevant public – VICTORIA'S SECRET as compared to VALENTINE SECRET, VALENTINE Secret & Design, and Valentine Secret Lingerie & Design;
- b. The new evidence shows that the use of SECRET is relatively common place in Canada by third parties in association with lingerie, women's clothing and women's undergarments. While the evidence of Mr. Romeo, Ms. D'Amours and Ms. Lee of Thomson CompuMark is somewhat undermined by failure to confirm use by the entities identified in the search results in Canada, the substantial number of trademark registrations and corporate entities shown in the searches in Canada, are sufficient to demonstrate the commonality of use of SECRET in association with lingerie and women's clothing by a number of third parties in this country. Of particular note are the SECRET trademarks owned and used by Doris Hosiery Mills Ltd (TMA151062, TMA279703).

[81] As stated by the Federal Court of Appeal in *Kellogg Salada Canada Inc c Canada (Registrar of Trade Marks)*, [1992] FCJ No 562 at pages 358-360 (FCA) (*Kellogg*):

The presence of a common element in trade marks has been held to have an important bearing on the issue of confusion for, as was stated by the Comptroller General in *Re Harrods Ltds. Appl'n*, supra, at page 70:

Now it is a well recognized principle, that has to be taken into account in considering the possibility of confusion arising between only two trade marks, that, where those two trade marks contain a

common element which is also contained in a number of other trade marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those other features.

...In Fox, *The Canadian Law of Trade Marks and Unfair Competition*, (3rd ed.), Toronto, 1972, at page 351, the learned editors stated:

It is seldom that only parts common to the trade are taken and used without the addition of other and possibly distinguishing features. The usual circumstance is that a part of a trade mark such as a prefix or suffix of a word, is taken, or in other cases, only one of the words of a trade mark consisting of a plurality of words. In considering the possibility of confusion between any two trade marks, it is a well recognized principle that, where those two marks contain a common element that is also contained in a number of other marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other or non-common features of the respective marks and to distinguish between them by those other features. This principle, however, requires that the marks comprising the common elements shall be in fairly extensive use in the market in which the marks under consideration are being used or will be used.<sup>186</sup>

The evidence does show that the word "Nutri", as a prefix or otherwise, has been generally adopted and used in the food trade in Canada. As of the filing date, the evidence shows at least 47 trade mark registrations and 43 trade names; as of the amended opposition date, a further 3 trade names existed; since that date, there has been at least 18 additional trade mark registrations and applications. I agree with counsel's submission that it is reasonable from all of this evidence to conclude that the word "Nutri" has been commonly adopted in the food trade as suggestive of a desirable attribute of foods, particularly health foods. I think it may be inferred that consumers of these products are accustomed to making fine distinctions between the various "Nutri" trade marks in the marketplace, by paying more attention to any small differences between marks. I accept the appellant's contention that the respondent's marks are weak because they incorporated a word

that is commonly used in the trade. The suffix "Vite" in the appellant's mark and the suffixes "Max" and "Fibre" in the respondent's marks are totally different and appear sufficient to distinguish them.

[82] Where two trademarks contain a common element that is also contained in a number of other trademarks, the common nature of the element in the market causes consumers to pay closer attention to the other non-common features of the marks, and distinguish between the two marks at issue using the other features, thus decreasing the likelihood of confusion (*Kellogg*, above at 358-360).

[83] Given the differences in appearance and sound between the VICTORIA'S SECRET mark and the Respondent's VALENTINE SECRET Word Mark, Design Mark and Lingerie Mark, and notwithstanding the ideas suggested by the marks in issue, which somewhat favor the Respondent, I find there is no likelihood of confusion.

(2) Likelihood of Confusion – the Applicant's VS Mark

[84] The extensive evidence of use of the Respondent's VS trademarks, the acknowledgement that the section 6(5)(a) to 6(5)(d) factors of the Act favor the Respondent, and that while the Applicant's Vs Mark also uses the words "A secret that women love", while the Respondent's registered marks are VS SPORT and VS PRO, there is no question that VS, as used alone or as part of the Respondent's registered trademarks, is prominently and extensively used by the Respondent, and is extremely well known as the abbreviation of the VICTORIA'S SECRET marks. I find that, unlike for the other Respondent's marks in issue here, there is a likelihood of

confusion by the proposed use of the Applicant's Vs Mark, given the fame and notoriety of the Respondent's VS trademarks.

(3) Distinctiveness

[85] For the same reasons as given above concerning likelihood of confusion, I find that at the date of the filing of the statement of opposition, the Applicant's Word Mark, Design Mark and Lingerie Mark were distinctive of the Applicant, but that the Applicant's Vs Mark was not distinctive.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that:**

1. The Applicant's appeal is allowed in part. The Registrar's decisions with respect to trademark applications 1,405,838, 1,405,840 and 1,405,839, is set aside, and these marks are maintained;
2. The Applicant's Appeal is dismissed with respect to trademark application 1,405,835, I direct the Registrar of Trade-marks to refuse this application;
3. Given the split success, I award costs on the lower end of Column III to Tariff B to the Applicant.

"Michael D. Manson"

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Judge

**FEDERAL COURT**

**SOLICITORS OF RECORD**

**DOCKETS:** T-313-14, T-314-14, T-315-14, T-316-14

**STYLE OF CAUSE:** ECLECTIC EDGE INC v VICTORIA'S SECRET STORES BRAND MANAGEMENT, INC

**PLACE OF HEARING:** OTTAWA, ONTARIO

**DATE OF HEARING:** MARCH 30, 2015

**JUDGMENT AND REASONS:** MANSON J.

**DATED:** APRIL 13, 2015

**APPEARANCES:**

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