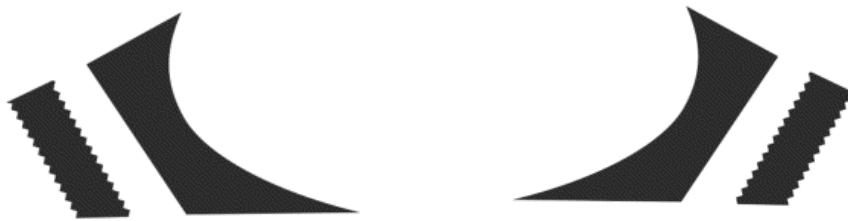


The Scope of Protection of a Famous Design Mark

Facts

Globe International Nominees Pty Ltd. (“Globe”) filed two trademark applications referred to by the Trademarks Office as Left Stripe Design and Right Stripe Design (“Globe Marks”) as shown below:



for use in association with, among other things, footwear, namely shoes, skateboard shoes, casual shoes, athletic shoes, beach shoes, thonged and strapped sandals, sneakers, boots, slippers.

Adidas

Adidas AG (“Adidas”) opposed the applications on a number of grounds, which turned on a determination whether the applied-for trademarks were confusing with a number of trademark applications and registrations owned by Adidas for its 3-Stripes Design. The design shown below is representative of Adidas 3-Stripes Design:



The Trademarks Opposition Board dismissed the oppositions primarily on the basis that there was not a sufficient degree of resemblance between Adidas 3-Stripes Design and Globe Marks.

The Appeal

Adidas appealed from the Board's decision to the Federal Court and in particular the determination that there was dissimilarity in the overall appearance of the respective marks. They argued that the hearing officer did not properly consider the overall degree of resemblance between the representative marks by failing to give sufficient consideration to how the marks appeared on footwear. This is how the average consumer actually sees the respective marks.

The judge acknowledged that Globe bore the legal onus of establishing, on the balance of probabilities, that its applications complied with the requirements of the Act. There was an evidential burden on Adidas to adduce sufficient evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition existed.

On reviewing the evidence before the Board the judge said that there was no question that Adidas had established a very well-known, if not famous, reputation relating to its 3-Stripes Design as applied to footwear in Canada.

The question to be answered was whether the public would likely be confused, not whether one party may gain and the other lose as a result of both parties using their respective marks in the marketplace. More importantly, will the average consumer, as a matter of first impression on seeing the Globe Marks on footwear in view of his or her general recollection of the Adidas 3-Stripes Designs on footwear, be likely to be confused and think that the Globe Marks are the Adidas 3-Stripes Designs of which he/she only had a general recollection.

The judge found that the hearing officer's conclusion was reasonable and correct in finding that there was a sufficient difference between the Adidas 3-Stripe Design and

the Globe Marks to find no likelihood of confusion. While the marks should be considered as they are or may be seen in actual ordinary use in the Canadian marketplace, they should not be viewed as side by side samples presented in court.

Notwithstanding that notoriety and fame of the Adidas 3-Stripe Design the scope of protection of the design did not result in a finding of a likelihood of confusion with the Globe Marks.

The judge said that fame and notoriety associated with a trademark can be a double-edged sword for the trademark owner. On the one hand an enhanced reputation associated with a mark may allow a trademark owner extended protection beyond the specific goods and services covered by the registration. On the other hand, when a trademark becomes well-known or famous the differences between the well-known mark and the other mark may serve to distinguish one mark from another and reduce any prospect of confusion.

Comment

The judge's comments about fame and notoriety may not sit to well with brand owners. It may have been fairer to say that the fame of the Adidas 3-Stripes Design closely relates the fact that there are three stripes which is a significant element of the mark.

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These comments are of a general nature and not intended to provide legal advice as individual situations will differ and should be discussed with a lawyer.