

**FILING OF COGENT EVIDENCE ON APPEAL IN TRADE-MARK PROCEEDINGS MAY
AFFECT THE STANDARD OF REVIEW, COURT RULES**

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A recent decision of the Federal Court of Canada reaffirmed that the standard of review applicable to decisions rendered by the Registrar of Trade-marks is whether the conclusions of the Registrar are "clearly wrong" having regard to the evidence as a whole (*Dion Neckwear Ltd vs Christian Dior, S.A.*, T-2429-96, March 31st, 2000, Pelletier, J.).

On March 6th, 1992, the Appellant, *Dion Neckwear Ltd* ("DNL") filed an application in Canada to register the trade-mark DION COLLECTION & Design in association with "neckties, scarves and ascots" based on use in Canada since August 1st, 1989 and in association with "shirts, sweaters, blouses, trousers, slacks, suits, socks, underwear, t-shirts, wallets, umbrellas, belts, watches and glasses", on the basis of proposed use of the trade-mark in Canada.

On March 24th, 1993, the Respondent, *Christian Dior, S.A.* ("CD") opposed the proposed registration on several grounds of opposition, all but one of the grounds having in common the element of confusion.

The present appeal to the Federal Court lies in the Registrar's refusal of DNL's application based on the former's assessment that he was left in doubt as to the reasonable likelihood of confusion between DNL's trade-mark DION COLLECTION & Design and CD's trade-mark DIOR. As a result, the Registrar had concluded that DNL had failed to meet its legal burden of showing that confusion between its mark and CD's DIOR registered marks was unlikely.

On appeal, DNL filed additional evidence while CD chose to adduce no further evidence before the Federal Court.

In rendering its decision, the Court reviewed a recent decision (see *Garbo Group Inc. vs Harriet Brown & Co* 3 C.P.R. (4th) 224, F.C.T.D. Evans J.), where the subject of analysis was the standard of review applicable to decisions of

the Registrar of Trade-marks. The Court held that in the particular case where no significant new evidence has been adduced on a factual issue and where an error of law has not been committed, a considerable degree of deference must be exercised by the appellate Court when reviewing the Registrar's finding of confusion.

The Court further stated that the standard of review may be affected if additional evidence is significant and goes beyond the substance of the evidence already before the Registrar.

In this case, in the Court's view, *DNL's* additional affidavit evidence had "no probative significance that extends beyond the material that was before the Registrar". Nevertheless, the Court went on to examine the Registrar's decision as to the issue of confusion.

The Court noted that in considering the likelihood of confusion, each of the marks in issue are to be assessed in a hypothetical market based on an assumed use. Therefore, deficiencies regarding evidence of use cannot preclude a finding as to confusion.

In reviewing the evidence submitted as a whole, in concluding that *DNL* had not discharged its onus of demonstrating that there was no reasonable likelihood of confusion between *DNL's* trade-mark DION COLLECTION & Design and *CD's* trade-mark DIOR, and in finding that the Registrar's decision was not clearly wrong, the Court dismissed *DNL's* appeal.

From the Courts ruling, it appears as though the standard of review applicable to the Registrar's findings of confusion should be whether the Registrar was clearly wrong. However, when significant additional evidence is adduced on appeal, which enhances its cogency so that the case substantially differs from the one before the Registrar, there may be a calling for a less considerable degree of deference on the part of the appellate Court. Trade-mark law practitioners should bear this in mind when contemplating an appeal of the Registrar's decision as well as the filing of additional evidence.

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