



HORST WATERPROOF TRADE-MARK FOR CYCLING BAGS NOT CONFUSING WITH HÖRST DÜSSELDORF TRADE-MARK FOR MEN'S CLOTHING, CONFIRMS COURT OF APPEAL OF QUEBEC

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In a very recent decision, the Court of Appeal of Quebec considered the ambit of protection claimed by the Appellant in its various trade-marks composed of the common German surname HÖRST, following the lower court's refusal to grant the Appellant's request for a permanent injunction against Respondent's alleged infringing use in Canada of the mark HORST WATERPROOF (*Guy Octeau and Ango-Mode Inc. v. Kempter Marketing Inc.*, 2010 QCCA 171 (Allan R. Hilton, J.A., February 4th, 2010)).

Facts

The Appellant, Ango-Mode Inc. (« AMI ») operates an import-export business of mid-priced men's clothing, sold in various countries including Canada. AMI owns various trade-marks, including three registrations for marks comprised of the element "HÖRST" mainly in association with clothing: H HÖRST & Design mark, HÖRST DÜSSELDORF and CULT HÖRST. The sale and marketing of products bearing the H HÖRST & Design mark ceased in 1992. The mark CULT HÖRST, registered in Canada in 2005, had yet to be marketed by AMI, as of July 2007, for clothing products which were aimed at a younger consumer. However, a complete collection of men's wear was marketed under the mark HÖRST DÜSSELDORF.

The Respondent Kempter Marketing Inc. ("KMI"), was founded in 1994 by a German fellow named Hörst Kempter, specialising in the sale and distribution of products associated with skiing and cycling. After his passing in 2001, a Montrealer purchased his shares and in 2003 began to sell and distribute cycling accessories. The target market for these products were daily users of bicycles, be it commuter cyclists or those offering messenger delivery services. Sometime in 2003, KMI began marketing waterproof bags to attach to bicycles under the name of its founder Hörst Kempter, albeit without the umlaut over the letter "o". Towards the end of 2004, KMI changed the brand name to that of HORST WATERPROOF.

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KMI decided to file an application for the mark HORST WATERPROOF & Design in October 2004 not only for bicycle messenger bags but also for various types of clothing. The Examiner adversely cited AMI's three trade-mark registrations containing the element "HÖRST". In the interim, an exchange of correspondence ensued between AMI and KMI although the latter refused to comply with AMI's request to abandon its application. Nevertheless, in July 2006, KMI's application was abandoned for want of prosecution but KMI continued using the trade-mark HORST WATERPROOF in association with its products. In 2007, injunction proceedings were initiated by AMI and its owner and president Guy Octeau.

Superior Court decision

The trial judge referred to the applicable criteria regarding the issue of confusion in trade-mark matters as addressed by the Supreme Court of Canada in the *Veuve Clicquot* and *Mattel* cases handed down in 2006. In *Mattel*, the Court found there was no confusion between Mattel's well-known mark BARBIE for dolls and the respondent company's mark BARBIE'S & design for restaurant and catering/banquet services. In *Veuve Clicquot*, the Court similarly decided there was no confusion between the mark VEUVE CLICQUOT for fine champagne products and the mark CLIQUOT for mid-price range clothing targeted at career women. Supreme Court Justice Binnie commented these wares were "as different as chalk and cheese".

Bearing in mind the criteria for assessing confusion, the trial judge held there was no evidence on record that would allow it to conclude there was a risk of confusion between the mark HORST WATERPROOF for cycling bags and related items with AMI's various trade-mark registrations for men's wear.

The Court of Appeal decision

The Court of Appeal also made reference the Supreme Court of Canada's decisions in the *Mattel* and *Veuve Clicquot* matters. The Court of Appeal stated it was not necessary to consider AMI's trade-marks H HÖRST & Design and CULT HÖRST to any major extent as the facts revealed AMI was not marketing any products under these marks at the relevant time period. The Court therefore assessed whether or not the mythical "casual consumer in somewhat of a hurry" would likely consider mid-priced men's clothing marketed under the brand HÖRST DÜSSELDORF and high-end bicycle accessories associated with the mark HORST WATERPROOF, were manufactured or sold by the same entity.

As concerns one of the criteria for confusion—the extent to which the marks had become known in Canada—the Court stated that when KMI's HORST WATERPROOF products entered the Canadian marketplace in 2004, AMI's HÖRST DÜSSELDORF had not acquired so significant a presence nor a sufficiently

distinctive character to justify the broad injunctive relief it sought insofar as the promotion of AMI'S mark only increased significantly between 2002 and 2007, despite having been marketed several years earlier.

As for the nature of the products, the Court found the respective products of the parties fell within a different category and bore no similarities: on the one hand, mid-priced men's clothing wear and on the other, high-end bicycle accessories. As for the nature of the businesses of the parties, the Court of Appeal contrasted the intended consumers of each party by describing KMI's target clientele as more restricted since it attracts daily users of bicycles, a rather limited market in and of itself—than that of AMI's—which it considered as broad-based. The Court held these factors did not weigh in AMI's favour.

As for the nature of the parties' trades, both are distributors of products to retailers for sale to consumers. Their products are sold in specialised outfits or in larger scale outfits. However, AMI's products are sold in clothing stores while KMI's are sold only in specialised sporting goods stores. Moreover, while both parties are wholesalers, their means of distributing their products to the market also differed. The Court held this element also did not weigh in AMI's favour.

As for the degree of resemblance between the marks, the Court opined that while both marks emphasized the German name HÖRST, there was an insufficient degree of similarity between them. One of the overall differences contrasted by the Court were the words DÜSSELDORF and WATERPROOF, the latter intended to describe a particular quality of KMI's products, impermeability—the former intended to associate AMI's products with a particular style.

Based on its analysis, the Court dismissed the appeal, having concluded there was no likelihood of confusion between the mark HORST WATERPROOF for high end bicycle bags and AMI's trade-mark HÖRST DÜSSELDORF for mid-priced men's clothing.

Conclusion

This case is yet another illustration of how the circumstances of each case essentially determine the weight to be given to the various factors relating to the assessment of confusion between two trade-marks. In situations where the factual context provides for products that are “as different as chalk and cheese”, for different distribution channels and for no overlapping points of sale, the task of establishing confusion based on a shared common element between the marks at issue may prove to be challenging.

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