

Federal Court



Cour fédérale

Date: 20151201

**Dockets: T-349-14
T-350-14
T-351-14
T-352-14**

Citation: 2015 FC 1332

Ottawa, Ontario, December 1, 2015

PRESENT: The Honourable Mr. Justice Gascon

BETWEEN:

ECLECTIC EDGE INC

Applicant

and

GILDAN APPAREL (CANADA) LP

Respondent

JUDGMENT AND REASONS

I. Overview

[1] In August 2008, the applicant Eclectic Edge Inc. [Eclectic] filed applications to register four trade-marks containing the words “valentine” and “secret”, based on proposed use in association with several goods in the nature of women’s clothing, undergarments and lingerie

[the VALENTINE SECRET Marks]. The respondent Gildan Apparel (Canada) LP [Gildan], through one of its predecessor entities, opposed the registration on the basis of reasonable likelihood of confusion with its own registered trade-mark SECRET and numerous other trade-marks containing the word SECRET [the SECRET Marks]. In December 2013, the Registrar of Trade-marks [the Registrar] refused Eclectic's four applications.

[1] Eclectic is now appealing these decisions before this Court under section 56 of Canada's *Trade-marks Act*, RSC 1985, c T-13 [the Act]. Eclectic contends that the Registrar's decisions on the issue of likelihood of confusion were incorrect in view of several relevant material facts, including new evidence showing that the word "secret" is in widespread usage in the women's clothing and undergarments market. Eclectic contends that Gildan cannot therefore claim exclusivity in the word "secret" and it is seeking an order from this Court setting aside the Registrar's decisions. Gildan responds that the Registrar correctly recognized the likelihood of confusion between Eclectic's VALENTINE SECRET Marks and its well-known SECRET Marks and family of SECRET trade-marks, which have been used in Canada for over 40 years in the market for women's hosiery, intimate apparel and other related clothing products. Gildan further argues that the new evidence provided on appeal does not change this situation and that the Registrar's decisions should not be disturbed.

[2] The dispute between the parties is compounded by the fact that diverging recent decisions have been issued by this Court about the likelihood of confusion between trade-marks containing the word "secret" in the market for women's intimate apparel, lingerie, undergarments and other

related clothing products.¹ In one case, Eclectic's VALENTINE SECRET Marks were found not likely to be confusing with the VICTORIA'S SECRET trade-marks. In another one, the WOMEN'S SECRET trade-mark was found likely to be confusing with Gildan's SECRET Marks. The Court must now determine, based on the evidence before it, whether Eclectic's VALENTINE SECRET Marks are likely to create confusion with Gildan's SECRET Marks.

[3] The issues to be determined in this appeal are therefore as follows:

- What is the appropriate standard of review?
- Would the new evidence filed on appeal have materially affected the Registrar's decisions?
- Were the Registrar's findings that Eclectic's VALENTINE SECRET Marks were likely to be confused with and not distinctive from Gildan's SECRET Marks correct or reasonable in view of the evidence?

[4] For the reasons that follow, I am not persuaded that the new evidence filed by Eclectic and Gildan in this appeal would have materially affected the Registrar's decisions. Therefore, the appropriate standard of review is reasonableness. Having considered all of the evidence before the Registrar, the new evidence on appeal, all surrounding circumstances and the applicable law, I conclude that the Registrar's findings that the VALENTINE SECRET Marks are likely to be confusing with Gildan's SECRET Marks and not distinctive are reasonable and fall within the range of possible, acceptable outcomes defensible in respect of the facts and the law. Therefore, I will dismiss the appeal.

¹ In this judgment, the term "women's intimate apparel" will be used to refer to women's hosiery, intimate apparel, underwear, lingerie, undergarments, sleepwear, loungewear and other related clothing products.

II. Background

A. *Facts*

[5] On August 1, 2008, Eclectic filed applications to register the following four VALENTINE SECRET Marks:

- Application No. 1,405,838: word mark “VALENTINE SECRET” [the VALENTINE SECRET Word Mark]:

VALENTINE SECRET

- Application No. 1,405,840: design mark “VALENTINE SECRET” with design [the VALENTINE SECRET Design Mark]:

VALENTINE
Secret

- Application No. 1,405,839: design mark “VALENTINE SECRET LINGERIE” with design [the VALENTINE SECRET Lingerie Design Mark]:

Valentine ^{lingerie}
Secret

- Application No. 1,405,835: design mark “VS A SECRET THAT WOMEN LOVE...” with design [the VALENTINE SECRET VS Design Mark]:



[6] Each trade-mark is in connection with wares described as follows in Eclectic’s applications: “bandanas (neckerchiefs); bath robes; bathing drawers; bathing suits; beach clothes; boas (necklets); bodices (lingerie); brassieres; camisoles; clothing for gymnastics; corsets (underclothing); drawers (clothing); dressing gowns; frocks; fur stoles; girdles gloves (clothing); jumpers (shirt fronts); knitwear (clothing); mittens; petticoats; pockets for clothing; pullovers; ready-made clothing, namely, sleepwear, underwear and lingerie; ready-made linings (parts of clothing); robes (bath); scarfs; singlets; slips (undergarments); suits; suits (bathing -); sweat-absorbent under-clothing (underwear); sweaters; teddies (undergarments); tee-shirts; tights” [the Wares].

[7] After advertising the applications, Gildan’s predecessor Manufacturier de Bas de Nylon Doris Ltee/Doris Hosiery Mills Ltd, later known as Doris Inc. [Doris],² opposed Eclectic’s applications in a statement filed on January 29, 2010. In its oppositions, Gildan raised a number of grounds of opposition, including:

- Pursuant to s. 38(2)(a) and s. 30(i) of the Act, Eclectic could not have been satisfied that it was entitled to use the VALENTINE SECRET Marks in view of the prior use and/or registration of Gildan’s registered SECRET Marks;

- Pursuant to s. 38(2)(b) and s. 12(1)(d) of the Act, Eclectic's VALENTINE SECRET Marks were not registrable because they were confusing with Gildan's SECRET Marks [the Registrability Ground];
- Pursuant to s. 38(2)(c) and s. 16(3)(a) and (b) of the Act, Eclectic was not entitled to the registration of the VALENTINE SECRET Marks, because they were confusing with Gildan's SECRET Marks [the Entitlement Ground];
- Pursuant to s. 38(2)(d) of the Act, the VALENTINE SECRET Marks were not distinctive because they did not distinguish nor were they adapted to distinguish Eclectic's wares in association with which it was proposed to be used by Eclectic from the wares or services of others, namely Gildan [the Distinctiveness Ground].

[8] In support of its oppositions before the Registrar, Gildan supplied two affidavits sworn by Mr. Michael Poirier, president of Doris [the Poirier Affidavits], and submitted written arguments. In essence, Gildan claimed that it filed an application for the trade-mark SECRET as early as July 28, 1966 and started using it in association with ladies' hosiery in 1967. Gildan also claimed to have expanded its portfolio of SECRET Marks over the years to create a family of multiple trade-marks incorporating the word "secret", used in association with women's intimate apparel.

[9] Eclectic filed a counterstatement denying the allegations and stating that its applications complied with the Act. Eclectic argued that the adoption, use and registration in Canada by third parties of trade-marks containing the word "secret" in association with women's intimate apparel substantially diminished the scope of protection to which Gildan's trade-marks might be entitled. Eclectic cross-examined Mr. Poirier on his affidavits. However, Eclectic did not file evidence of its own in support of its applications before the Registrar.

² In this judgment, Gildan will be used to refer to Gildan and/or to its predecessors in title to the SECRET Marks.

[10] On December 5, 2013, the Registrar refused all four applications.

B. *Decisions of the Registrar*

[11] The December 2013 decisions of the Registrar were all signed by Ms. Cindy R. Folz, a member of the Trade-marks Opposition Board [the Board]. She issued four largely identical decisions regarding each of the four VALENTINE SECRET Marks.

[12] As a preliminary matter, the Registrar refused to have regard to the evidence Eclectic attempted to file on various third-party trade-mark registrations involving the word “secret” during the cross-examinations of Mr. Poirier. She considered that it was inappropriate to introduce such “state of the register” evidence through cross-examination. The Registrar also indicated that she would focus on five of Gildan’s SECRET Marks (subject of registrations Nos. TMA 151,062, TMA 298,736, TMA 603,410, TMA 649,866 and TMA 503,802), as a determination of the issue of confusion between the VALENTINE SECRET Marks and these five specific marks would effectively decide the matter.

[13] The Registrar first dismissed Gildan’s claim that Eclectic did not meet the requirements of s. 30(i) of the Act and could not have been satisfied that it was entitled to use the VALENTINE SECRET Marks in Canada at the time of filing the application in view of the prior use and registration of the SECRET Marks. On that point, the Registrar noted the absence of evidence showing that Eclectic had acted in bad faith or adopted its trade-marks knowing that they were confusing with Gildan’s trade-marks.

[14] The Registrar then recognized that the main issue to be determined for Gildan's other grounds of opposition was whether there was a likelihood of confusion between Eclectic's VALENTINE SECRET Marks as applied to the Wares and one or more of the 59 registered SECRET Marks belonging to Gildan. Noting the history of Gildan's SECRET Marks and associated SECRET products, the Registrar outlined the test for confusion as identified in the provisions of the Act and developed in the jurisprudence. Further to her analyses, the Registrar found in favour of Gildan on each of the Registrability Ground, the Entitlement Ground based on s. 16(3)(a) of the Act and the Distinctiveness Ground.

[15] In considering the factors listed in section 6 of the Act to assess the likelihood of confusion, the Registrar found that they all favoured Gildan.

[16] In terms of the inherent distinctiveness of the marks (factor 6(5)(a)), the Registrar found that Eclectic's VALENTINE SECRET Word Mark, VALENTINE SECRET Design Mark and VALENTINE SECRET VS Design Mark had the same degree of inherent distinctiveness as Gildan's SECRET Marks. However, the VALENTINE SECRET Lingerie Design Mark was not considered as inherently strong as Gildan's marks because it described the nature of the applied Wares. The Registrar further found that Gildan's evidence established that its SECRET Marks had become well-known if not famous in Canada in association with hosiery and undergarments, and since Eclectic did not file any evidence of use of its marks, this factor favoured Gildan. The Registrar also referred to the evidence on the use and reputation of the SECRET Marks in Canada, including figures provided by Mr. Poirier on the significant sales of the SECRET products made between 1986 and 2009 through thousands of retail outlets in Canada such as

department stores and specialty stores, on expenditures made by Gildan during that period to promote and advertise the SECRET products bearing the SECRET Marks, and on the licensed products sold by Doris.

[17] The Registrar then found that the factor of the length of time that the trade-marks had been in use (factor 6(5)(b)) favoured Gildan, as there was no evidence that Eclectic's VALENTINE SECRET Marks had been used in Canada.

[18] In terms of the nature of the wares, services or business (factor 6(5)(c)), the Registrar found that many of Eclectic's Wares were either identical or closely related to Gildan's SECRET products in that they all comprised articles of clothing. Since a vast number of the Eclectic Wares were either closely related to or overlapped with the SECRET products, this factor favoured Gildan.

[19] Turning to the nature of the trade (factor 6(5)(d)), the Registrar noted that Eclectic did not introduce evidence with respect to the channels of trade associated with its VALENTINE SECRET Marks. Since there was no reason to assume that there were any significant differences between the channels of trade associated with each party's trade-marks, the Registrar concluded that this factor also favoured Gildan.

[20] On the degree of resemblance between the trade-marks in appearance, sound or ideas suggested by them (factor 6(5)(e)), the Registrar found a fair degree of similarity in appearance, sound and idea suggested between, on the one hand, the VALENTINE SECRET Word Mark, the

VALENTINE SECRET Design Mark and the VALENTINE SECRET Lingerie Design Mark and, on the other hand, the SECRET Marks. The Registrar however noted that the similarity was not as high for the VALENTINE SECRET VS Design Mark. When examining the degree of resemblance, the Registrar acknowledged that the trade-marks had to be considered in their totality. The Registrar began by determining whether there was an aspect of the trade-mark that was particularly striking or unique. The Registrar recognized that the word “secret” was the dominant component of Gildan’s SECRET Marks, as it was its only component. She also found the word “secret” to be the dominant feature of Eclectic’s VALENTINE SECRET Design Mark and VALENTINE SECRET Lingerie Design Mark. Given that Eclectic’s VALENTINE SECRET Marks included Gildan’s SECRET trade-mark in its entirety, the Registrar found that there was a fair degree of similarity between the parties’ trade-marks in appearance, sound and idea suggested (or some degree of resemblance in the case of the VALENTINE SECRET VS Design Mark).

[21] I pause to note that, in her analysis, the Registrar only considered the word “secret” to be the dominant component for two of Eclectic’s marks, namely the VALENTINE SECRET Design Mark and the VALENTINE SECRET Lingerie Design Mark. For the VALENTINE SECRET Word Mark and the VALENTINE SECRET VS Design Mark, she only retained that these Eclectic trade-marks included Gildan’s SECRET trade-mark in its entirety.

[22] The Registrar also looked at additional surrounding circumstances and she identified two: the existence of a family of SECRET trade-marks and the notoriety of Gildan’s SECRET Marks. She found that Gildan had established the existence of a “family” of trade-marks containing the

word “secret” for hosiery and undergarments. The Registrar further concluded that consumers familiar with Gildan’s SECRET Marks may be more likely to assume that the VALENTINE SECRET Marks were part of Gildan’s family of marks because of the SECRET component, therefore increasing the likelihood of confusion. On notoriety, the Registrar was satisfied that Gildan’s SECRET Marks had become well-known if not famous in Canada and noted that the fame and reputation of Gildan’s SECRET Marks had been acknowledged in other Federal Court and Board decisions.

[23] The Registrar also referred to the October 2013 decision of this Court in *Cortefiel SA v Doris Inc*, 2013 FC 1107 [*Cortefiel*] (confirmed on appeal in *Cortefiel SA v Gildan Apparel (Canada) LP*, 2014 FCA 255), where the Court upheld a Registrar decision having found a reasonable likelihood of confusion between the WOMEN’S SECRET mark and Gildan’s SECRET Marks. The Registrar noted that, as in the *Cortefiel* decision, the evidence in this case suggested that consumers were sufficiently familiar with the SECRET Marks that they would probably believe that identical or closely-related wares associated with the VALENTINE SECRET Marks derive from the same source.

[24] As such, the Registrar found that Eclectic had not discharged its burden of showing, on a balance of probabilities, that the VALENTINE SECRET Marks were not likely to be confused with Gildan’s SECRET Marks, and she therefore refused Eclectic’s applications. She singled out the notoriety of the SECRET Marks, the degree of resemblance and Eclectic’s lack of interest in the proceedings as the main elements underlying her conclusion.

[25] On appeal before this Court, both parties filed new evidence. Eclectic submitted three affidavits aiming to demonstrate that the word “secret” has widely been used in the market for women’s intimate apparel. This new evidence relating to the state of the register and the state of the marketplace consisted of the affidavits of Mr. Sandro Romeo [the Romeo Affidavit], Ms. Caroline D’Amours [the D’Amours Affidavit] and Ms. Judith Lee [the Lee Affidavit], all employees of the intellectual property research firm Thomson CompuMark [CompuMark]. Gildan provided additional evidence in the form of a third affidavit from Mr. Poirier [the Third Poirier Affidavit], further explaining Gildan’s use of the SECRET Marks, providing updated sales, promotion and advertising data on the SECRET products, and outlining the enforcement efforts of Gildan in protecting its SECRET Marks against potentially confusing trade-mark applications and uses.

C. *The Issue of Judicial Comity*

[26] The current case has a particular flavour because of recent trade-mark decisions of this Court in the women’s intimate apparel industry, involving similar issues, similar evidence and some of the same parties to this appeal. Indeed, in light of these precedents, both parties raise the principle of judicial comity in support of their respective position. Eclectic claims that judicial comity should lead the Court to follow the conclusions of Justice Manson in the recent *Eclectic Edge Inc v Victoria’s Secret Stores Brand Management, Inc*, 2015 FC 453 [*Eclectic Edge*] decision involving Eclectic’s VALENTINE SECRET Marks and the VICTORIA’S SECRET trade-marks. Conversely, Gildan argues that the principle of judicial comity should instead convince the Court to echo the judicial findings of fact and law made by Justice Tremblay-Lamer in *Cortefiel*, which related to the WOMEN’S SECRET trade-mark and Gildan’s SECRET Marks.

[27] I do not agree with either party on this issue of judicial comity and I am not persuaded that the doctrine of judicial comity is dispositive of this case. Judicial comity only applies to determinations of law, and has no application to findings of facts where there is a different factual matrix or evidentiary basis between two cases. This is the case here.

(1) The Principle of Judicial Comity

[28] The purpose underlying the doctrine of judicial comity was recently described by Justice Martineau in *Alyafi v Canada (Minister of Citizenship and Immigration)*, 2014 FC 952 [*Alyafi*] at para 45:

[T]he principle of judicial comity aims therefore to prevent the creation of conflicting lines of jurisprudence and to encourage certainty in the law. Generally, a judge should follow a decision on the same question of one of his or her colleagues, unless the previous decision differs in the facts, a different question is asked, the decision is clearly wrong or the application of the decision would create an injustice. Judicial comity requires much humility and mutual respect. If the rule of law does not tolerate arbitrariness, judicial comity, its loyal companion, relies on reason and the good judgement of each person. Failing a final judgment from the highest court, respect for the other's opinion can speak volumes. In short, judicial comity is elegance incarnate in the person of the magistrate who respects the value of precedents.

[29] The elegance alluded to by Justice Martineau in *Alyafi* extends to questions of law. In *Allergan Inc v Canada (Minister of Health)*, 2012 FCA 308, the Federal Court of Appeal discussed the doctrine of judicial comity in the context of patent law and made it clear, at paras 43-44, that the principle only relates to determinations of law:

[43] [...] This doctrine is sometimes described as a modified form of stare decisis, i.e. horizontal rather than vertical (*House of Sga'nisim v. Canada (Attorney General)*, 2011 BCSC 1394 (B.C.

S.C.), para. 74). Stare decisis requires judges to follow binding legal precedents from higher courts. Although not binding in the same way, the doctrine of comity seeks to prevent the same legal issue from being decided differently by members of the same Court, thereby promoting certainty in the law (*Glaxo Group Ltd. v. Canada (Minister of National Health & Welfare)*, [1995] F.C.J. No. 1430, 64 C.P.R. (3d) 65 (Fed. T.D.), pp. 67 and 68).

[44] As a manifestation of the principle of stare decisis, **the principle of judicial comity only applies to determinations of law. It has no application to factual findings.** As was stated by the Ontario Court of Appeal in *Delta Acceptance Corp. v. Redman*, [1966] 2 O.R. 37 (Ont. C.A.), paragraph 5 at page 785:

The only thing in a [j]udge's decision binding as an authority upon a subsequent [j]udge is the principle upon which the case was decided.

[emphasis added]

[30] The conclusions of law of a Federal Court judge will therefore not be departed from by another judge unless he or she is convinced that the departure is necessary and can articulate cogent reasons for doing so. As Justice Lemieux stated in *Almrei v Canada (Minister of Citizenship and Immigration)*, 2007 FC 1025 [*Almrei*] at para 61, the principle of judicial comity “is to the effect that a substantially similar decision rendered by a judge of this Court should be followed in the interest of advancing certainty in the law.” However, exceptions to that principle include the existence of a different factual matrix or evidentiary basis between two cases, or situations where different issues are to be decided [*Almrei* at para 62].

[31] It does not mean, though, that decisions by other judges of this Court on similar questions of fact should be treated with inelegance and disrespect. Quite the opposite. But it means that the doctrine of judicial comity cannot be invoked to trump the trial judge’s role in assessing the evidence as it unveils before him or her.

(2) The Precedents Raised by the Parties

[32] While they also relate to trade-marks disputes in the market for women's intimate apparel and therefore bear some resemblance with the current appeal, the cases cited by the parties to support their judicial comity argument involve different parties, different marks as well as conclusions based on their respective and particular set of facts.

[33] In *Cortefiel*, Justice Tremblay-Lamer reviewed a Board decision refusing an application to register the trade-mark WOMEN'S SECRET for women's clothing, which had been opposed by Gildan's predecessor Doris. In that case, new evidence had been filed on appeal by both parties. The applicant had filed new evidence of some specific third-party usage of the word "secret(s)" and of retail stores selling lingerie products bearing trade-marks with the word "secret(s)". Doris had filed affidavits from Mr. Poirier on license agreements for the use of the SECRET family of trade-marks and actions taken by Doris against third-party usage of trade-marks containing the word "secret(s)". Justice Tremblay-Lamer found that this evidence would not have materially affected the Board's assessment as it was largely repetitive and did not enhance the cogency of the evidence (*Cortefiel* at paras 31-33).

[34] Justice Tremblay-Lamer thus applied a standard of reasonableness and concluded that the Board was reasonable in finding that consumers were sufficiently familiar with Doris' trade-mark SECRET and would probably believe that identical or closely-related wares associated with the WOMEN'S SECRET mark derive from the same source (*Cortefiel* at para 48). She also found that the Board was reasonable in finding that the WOMEN'S SECRET mark was confusing,

based on the overall similarities of the marks including the common element of “secret”, the insignificant novelty in the mark, its design and its generic first word “women”, as well as the notoriety of Doris’ SECRET marks. Therefore, she concluded that there was a significant likelihood that the average consumer, somewhat in a hurry, would think that the wares offered by the applicant in association with WOMEN’S SECRET were from Doris. Justice Tremblay-Lamer further found that, while Doris had not challenged all the third parties using the word “secret”, it was reasonable for the Registrar to find that the evidence suggested reasonable diligence on the part of Doris in protecting its SECRET marks so as to avoid undermining their distinctiveness (*Cortefiel* at paras 87-88).

[35] Gildan claims that this case has in essence addressed Eclectic’s arguments made in this case on the existence of third-party trade-marks and trade names containing the word “secret” and on the alleged lack of enforcement efforts by Gildan to control the use of the word “secret” in relation to its wares.

[36] In *Eclectic Edge*, Justice Manson dealt with an appeal of a Board decision involving Victoria’s Secret Stores Brand Management Inc. [VS] and Eclectic in relation to the same four VALENTINE SECRET Marks at issue in the current appeal. New evidence had also been filed on appeal by both parties in that case. Eclectic filed affidavits from the same three people as in the present case, namely Mr. Romeo, Ms. D’Amours and Ms. Lee, referring to what appears to be the same searches and the same information about third-party uses of trade-mark and trade names containing the word “secret”. VS had also filed new evidence on the licensing control of the VS trade-marks in Canada. In that case, Justice Manson found the VS new evidence to be

material to the proper licensed control of the VS trade-marks in Canada and to the ambit of protection for the VS trademarks in Canada (*Eclectic Edge* at para 40). He also concluded that Eclectic's new evidence on the common use of the word "secret" in trade-marks and in the marketplace by third parties in Canada for lingerie, women's clothing and related goods, which had been disregarded by the Board, went to "the heart of the Court's determination of likelihood of confusion" and was material.

[37] Justice Manson thus applied a standard of correctness to the Board's decision. He ultimately concluded that three of the four VALENTINE SECRET Marks were not likely to be confusing with the VS trade-marks in light of the new evidence filed on the extensive use of trade-marks with the word "secret", and of the differences in appearance and sound between the marks at issue. When examining the degree of resemblance, Justice Manson noted that the new evidence showed 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" and that "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" (*Eclectic Edge* at para 80). Justice Manson made particular note of the SECRET trade-marks owned and used by Gildan. However, Eclectic's VALENTINE SECRET VS Design Mark was found likely to be confusing with the VICTORIA'S SECRET marks and not distinctive.

[38] Eclectic claims that, in the current appeal, it filed the exact same new evidence as in *Eclectic Edge* on the existence of third-party trade-marks and trade names that include the word

“secret” and on the lack of enforcement efforts by Gildan, and that the Court should therefore conclude as Justice Manson did, and set aside the Registrar’s decisions.

[39] For completeness, I also note the older Board decision issued in *Doris Hosiery Mills Ltd v Victoria’s Secret Inc*, [1991] TMOB No 304, 39 CPR (3d) 131 [*Victoria’s Secret*], where the predecessor of Gildan opposed VS’ efforts to register the trade-mark VICTORIA’S SECRET, on the basis that there would be confusion with its own SECRET trade-mark. This was a decision by the Board, and therefore not binding on this Court. I however observe that the Board concluded at the time that there was a reasonable likelihood of confusion between VS’ trade-mark VICTORIA’S SECRET as applied to lingerie and women’s undergarments and Doris’ SECRET trade-mark. But the Board did not find a reasonable likelihood of confusion with respect to the remaining wares and services in VS’ application, including for nightwear, fragrances, mail order services, and retail store sales services. Since then, as indicated in the evidence before this Court, an agreement has been concluded between Gildan and VS allowing the VICTORIA’S SECRET and SECRET trade-marks to co-exist in the Canadian marketplace.

[40] The question that Justice Manson looked at in *Eclectic Edge* was whether there was a likelihood of confusion between Eclectic’s VALENTINE SECRET Marks and VS’ VICTORIA’S SECRET trade-marks. In *Cortefiel*, the question that Justice Tremblay-Lamer considered was whether there was a likelihood of confusion between Cortefiel’s WOMEN’S SECRET trade-marks and Doris’ SECRET Marks. Both were different from the question raised in the present case, which is whether there is a likelihood of confusion between Eclectic’s VALENTINE SECRET Marks and Gildan’s SECRET Marks. In addition, as will be

discussed in further detail below, even though there are evidently similarities between the evidentiary records in each of these cases and the current one, there are nonetheless material differences.

[41] I therefore conclude that the doctrine of judicial comity cannot lead me to simply follow and adopt either of these precedents, as the current appeal involves a different issue, based on different facts, and opposing different parties. I will of course be mindful of the findings made by my Federal Court colleagues in those *Cortefiel* and *Eclectic Edge* cases, as there is some overlap with this case, but I am not bound by those decisions and must assess the current appeal based on the evidentiary record and arguments before me.

III. Analysis

A. *What is the Appropriate Standard of Review?*

[42] There is no dispute on the principles governing the standard of review to be applied in this appeal. Subsection 56(5) of the Act provides that on appeal under section 56, additional evidence to that adduced before the Registrar may be filed. While decisions of the Registrar are normally reviewed on a standard of reasonableness, where additional evidence is presented on appeal that would have materially affected the Registrar's findings of fact or exercise of discretion, the decision must be reviewed on a correctness standard (*Molson Breweries v John Labatt Ltd*, [2000] 3 FCR 145 [*Molson Breweries*] at paras 24-29). In these situations, the judge must come to his or her own conclusion as to the correctness of the Registrar's decision (*Eclectic Edge* at para 9). Otherwise, the Court will be deferential to the decision of the Registrar, and if

the findings were reasonably open to the Registrar, the Court will not intervene (*Cortefiel* at para 34).

[43] The criteria is whether the new evidence would have materially affected the Registrar's finding of facts in the original decision (*Molson Breweries* at para 29; *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 [*Diamant*] at para 41). In assessing the new evidence, the Court must ask to what extent this evidence has a probative significance that extends beyond the material that was before the Registrar (*Diamant* at para 43; *Advance Magazine Publishers Inc v Farleyco Marketing Inc*, 2009 FC 153 [*Farleyco*] at para 98). The new evidence must be sufficiently substantial in terms of probative value (*Vivat Holdings Ltd. v Levi Strauss & Co*, 2005 FC 707 [*Vivat*] at para 27). Furthermore, the new evidence should add something of significance, rather than be merely repetitive of existing evidence without enhancing its cogency (*Garbo Group Inc. v Harriet Brown & Co* (1999), 3 CPR (4th) 224 [*Garbo*] at para 37; *Cortefiel* at paras 16-17). Finally, materiality is viewed on a qualitative, not quantitative basis (*Vivat* at para 27; *Hawke & Co Outfitters LLC v Retail Royalty Co*, 2012 FC 1539 at para 31).

[44] While the new evidence must be such that it would have materially affected the Registrar's decision, it does not mean that it would necessarily affect or change the final conclusion (*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, 2010 FC 309 [*Canadian Jewellers*] at para 40). In other words, the Court can still come to the same conclusion as the Board, even with the new evidence.

[45] New evidence will typically be considered sufficiently material when it is putting a different light on the record or is significantly extending the evidence that was in front of the Registrar. Before the Court can decide whether it should review the whole matter anew or simply review the decision for reasonableness, the Court must first examine the new evidence that has been brought forward as part of the appeal (*Farleyco* at para 87).

[46] As the Federal Court of Appeal stated in *Molson Breweries*, it is important to note that the term trial “de novo” is not an accurate description of a section 56 appeal, as the Board remains entitled to a degree of deference (at para 27):

[27] In *McDonald's Corp. v. Silverwood Industries Ltd.*¹⁶, Strayer J. (as he then was), having regard to the words of Ritchie J., explained that while the Court must be free to assess the decision of the Registrar, that decision should not be set aside lightly. It seems clear that in opposition proceedings where the issue is essentially one of facts concerning confusion or distinctiveness the decision of the registrar or the Board represents a finding of fact and not the exercise of discretion. Therefore the court should not impose upon itself the same degree of restraint, in reviewing that decision, as it would if the decision were essentially an exercise of discretion. It is thus free to review the facts to determine whether the decision of the registrar or Board was correct, but that decision should not be set aside lightly considering the expertise of those who regularly make such determinations: see *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.* (1968), 57 C.P.R. 1 at p. 8, 1 D.L.R. (3d) 462, [1969] S.C.R. 192, at pp. 199-200 (S.C.C.). While different panels of the Federal Court of Appeal have variously expressed the duty of this Court on appeal to be to determine whether the registrar has ‘clearly erred’, or whether he has simply ‘gone wrong’, **it appears that it is the duty of a judge sitting on an appeal such as this to come to his own conclusion as to the correctness of the finding of the registrar. In doing that he must, however, take into account the special experience and knowledge of the registrar or the Board, and more importantly have regard to whether new evidence has been put before him that was not before the Board.**

[emphasis added]

[47] Even if the evidence is considered substantial, the Court must still show some deference to the Registrar, and the reception and consideration of fresh evidence does not “eliminate the Board’s expertise as a relevant consideration” (*Mattel Inc v 3894207 Canada Inc*, 2006 SCC 22 [Mattel] at paras 36-37). In *Garbo*, Justice Evans stated that, while s. 56(5) of the Act may suggest a correctness standard on those findings of fact to which the evidence relates, “it does not necessarily follow that the same standard should apply to the Registrar’s findings on other facts” (*Garbo* at para 23). In other words, a correctness standard of review should apply to those findings of fact of the Registrar which the new evidence materially affects, but other findings of fact remain subject to a more deferential reasonableness standard, recognizing the particular expertise of the Registrar (*Canadian Jewellers* at para 43).

B. *Would the New Evidence Filed on Appeal Have Materially Affected the Registrar’s Decisions?*

[48] Eclectic argues that the additional evidence submitted on appeal significantly and substantially extends beyond the evidence that was before the Registrar and that the Court should thus proceed by way of a fresh hearing without deference to the Registrar’s decision. Gildan conversely takes the position that the additional evidence filed by the parties was not particularly new and would not have materially affected the Registrar’s findings in any case. If anything, Gildan contends, the new evidence reinforces the conclusion that the four VALENTINE SECRET Marks that Eclectic seeks to register are not distinct from the SECRET Marks used and effectively controlled by Gildan. Therefore, the reasonableness standard should prevail.

[49] Both parties have filed new evidence on appeal. With respect to Eclectic, it consists of the Romeo Affidavit, the D'Amours Affidavit and the Lee Affidavit. These affidavits strictly provided information on the state of the register and the state of the marketplace. They introduced the search results for trade-marks containing the word "secret" in the Canadian trade-marks register, in common law sources, in Canadian official business name registers and in web trade-mark searches. With respect to Gildan, the new evidence was limited to the Third Poirier Affidavit and focused on Gildan's enforcement efforts to protect the SECRET Marks.

[50] For the reasons that follow, I am not satisfied that the additional evidence adduced by the parties in this appeal is so substantial that it would have materially affected the findings and assessments made by the Registrar. After a detailed review, I cannot conclude that the new evidence would have put "quite a different light" on the original record, that it "significantly extends" beyond the evidence that was before the Registrar or that it is sufficiently substantial and significant in terms of quality and probative value. Consequently, the standard of review in this appeal will be reasonableness.

(1) Eclectic's Additional Evidence

(a) *The Romeo Affidavit*

[51] The Romeo Affidavit sets out the results of a search in the Canadian trade-marks database and in registers of internet domain names for the word "secret" in combination with "women's clothing and undergarments, cosmetics, retail services" relating to the goods, and to international classes 3, 25 and 35. Mr. Romeo is a trade-marks research analyst for the

intellectual property research firm CompuMark. He conducted the Canadian trade-marks database and registers of internet domain name portions of the Full Dilution (How Common Search) of the term “secret” undertaken by Eclectic as part of this appeal [the How Common Search]. This type of search is designed to inform a client of the number of occurrences of a word element of a trade-mark in a specific industry.

[52] Mr. Romeo searched the CompuMark trade-marks register database, which is compiled by periodically entering the registrations of trade-marks in the Canadian trade-marks register. Mr. Romeo’s search revealed a number of registrations and pending applications for trade-marks involving the word “secret”. In particular, it uncovered the following:

- 315 registrations and pending applications for trade-marks incorporating the word “secret” for use in association with clothing, cosmetics, and/or retail services for clothing or cosmetics;
- 99 entities own trade-mark registrations or pending applications to register trade-marks comprising or containing the word “secret”, for use in association with clothing, cosmetics, and/or retail services for clothing or cosmetics.

[53] According to Eclectic, the 315 registrations and pending applications found by Mr. Romeo included the following trade-marks:

- 80 trade-marks including the word SECRET owned by VS;
- 93 trade-marks using the word SECRET registered by Gildan for use in association with underwear, undergarments and lingerie;
- SECRET TREASURES registered by Wal-Mart Stores, Inc. [Wal-Mart] for use in association with sleepwear and lingerie;

- SECRETS FROM YOUR SISTER registered by Secrets From Your Sister Inc. for use in association with retail store services featuring women's lingerie;
- LADY'S SECRET & Design registered by Groupe JLF for use in association with components for women's footwear;
- EUROPEAN SECRET registered by Henchy Monheit, doing business as Design Par Anne Monette, for use in association with head coverings;
- An application to register SUZY'S SECRET filed by Suzy's Inc. in association with women's clothing, pending;
- OSTOMYSECRETS registered by ConvaTecInc. for use in association with undergarments for individuals who use ostomy bags.

[54] Turning to the domain name search, Mr. Romeo used the CompuMark domain names database which is updated with domain name data from all registrars accredited by the Internet Corporation for Assigned Names and Numbers, to include domain names registered with several terminations. Mr. Romeo searched for domain names with the prefix "secret" and the terms clothing, apparel, undergarment, underwear, cosmetic, makeup, and retail. The results of the search uncovered 67 registered domain names incorporating the word "secret".

[55] Gildan did not cross-examine Mr. Romeo on his affidavit. However, in the Third Poirier Affidavit, Mr. Poirier responded to the state of the register findings of the Romeo Affidavit. Mr. Poirier stated that, out of the 315 trade-marks identified by Mr. Romeo, 99 did not include goods in the international class 25 relating to clothing, and should therefore not be considered. Of the remaining trade-marks, 93 were indeed owned by Gildan, 80 by VS and four by Eclectic. He added that six of the listed trade-marks had not yet been approved by the Registrar. According to

Gildan, this left only 39 trade-marks to be truly considered. Gildan argued in its submissions that ten of those trade-marks were being opposed by Gildan and that the balance did not include clothing-related wares, did not include hosiery or intimate apparel or pertained to clothing for promotional items.

[56] With respect to Mr. Romeo's search results for registered domain names containing the word "secret", Gildan claims in its submissions that a large number of these websites are inaccessible, inactive or under construction and that many others are foreign websites (some written entirely in Korean, others posting prices in euros). Furthermore, some websites tracked down by Mr. Romeo are clearly irrelevant sites about, for example, cryptoanalysis or adult pornography. Finally, citing the case of *ITV Technologies, Inc v WIC Television Ltd*, 2003 FC 1056 [*ITV Technologies*] at paras 22-24, Gildan also points out that the Romeo Affidavit does not provide evidence of access to those various websites by Canadians and that "the mere existence of these websites" does not establish that they were accessed or known by Canadians.

(b) *The D'Amours Affidavit*

[57] The D'Amours Affidavit also sets out the results of a search within certain business name registers and other electronic databases for the word "secret" in combination with "women's clothing and undergarments, cosmetics, retail services" relating to the goods. Ms. D'Amours conducted the Canadian common law sources and Canadian official business name registers portions of the How Common Search undertaken by Eclectic. She is also an employee of CompuMark, having worked for fifteen years as a trade-mark research analyst, doing mostly trade-mark searches.

[58] Ms. D'Amours conducted her search using the CompuMark's Canadian common law sources and Canadian official business name registers. The CompuMark's Canadian common law sources contain trade-marks, 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, Ms. D'Amours 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.

[59] Ms. D'Amours restricted the search, where possible, to results pertaining to women's clothing and undergarments, cosmetics, and retail services relating to the aforementioned goods. According to Eclectic, the results showed:

- 170 corporations or registered business names incorporating the word “secret” in their name on the NUANS database, covering all of Canada outside of Quebec;
- 5 entities located in Quebec that appear to either (a) have a name incorporating the word “secret”, (b) use the trade-mark SECRET, or (c) distribute products branded with the trade-mark SECRET;
- 49 entries in the database maintained by Dun & Bradstreet, for entities having the word “secret” in their name, 19 of which appear to operate in the field of clothing; and
- 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.

[60] Ms. D’Amours was not cross-examined on her affidavit and Mr. Poirier did not discuss the results of her search in the Third Poirier Affidavit. However, Gildan also takes issue with the contents of the D’Amours Affidavit in its submissions. Gildan argues that the affidavit did not provide the breakdown of the category of goods in which the results fell and that the category of products covered was wide-ranging and far beyond women’s intimate apparel. For example, only 17 of the non-Gildan related business names in the Dun & Bradstreet search pertain to the general clothing classification where the Wares belong. According to Gildan, Ms. D’Amours’ search results do not confirm whether the businesses were still in operation or whether they were offering the Wares in association with the word “secret” in Canada and to Canadian consumers. Gildan also states that little information was provided besides the business name, location, and a generalized description of the business type.

(c) *The Lee Affidavit*

[61] The Lee Affidavit also introduces the results of a web search for the word “secret” in combination with “women’s clothing and undergarments, cosmetics, retail services” relating to the goods. Ms. Lee conducted a Canada Full Dilution Search, Web Common Law (Extended) Search for the term SECRET. This web search was also part of the larger How Common Search undertaken by Eclectic. Ms. Lee was also employed by CompuMark. Her work mostly consists of conducting web trade-mark searches and interacting with clientele.

[62] Ms. Lee’s search was designed to provide information on the number of occurrences of a word or combination of words that are used on the Internet as trade-marks, trade names or business names in a specific industry. The search conducted by Ms. Lee used CompuMark’s internal search application, which compiles information using the well-known internet search engines Bing, Google and Yahoo. Various terms were searched to find websites relating to women’s clothing and undergarments, cosmetics, and retail services relating to the goods where “secret” appears in a significant way.

[63] Like the searches of Mr. Romeo and Ms. D’Amours, Ms. Lee’s search uncovered a number of business entities allegedly using the word “secret” as part of a trade-mark in association with clothing and other related goods. According to Eclectic, the search revealed:

- 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;
 - 21 of those “appear” to be retailers of women’s clothing;
 - 6 “appear” to be producers of women’s clothing sold in association with a trade-mark containing the word “secret”, and unrelated to Gildan;
 - 12 “appear” to be either retailers or producers of women’s lingerie or undergarments.

[64] Ms. Lee was not cross-examined on her affidavit. Again, Gildan challenges that evidence in its submissions. Gildan points out that the Lee Affidavit included numerous irrelevant search results in the beauty and cosmetics industry. Furthermore, the evidence did not contain information about sales of the Wares made to Canadian consumers or whether the businesses even sold products in association with women’s hosiery or intimate apparel. Gildan also claims that the Lee Affidavit did not confirm whether the establishments listed were even in operation, or whether any Canadian consumers had accessed these websites.

(2) The Gildan Additional Evidence

[65] Turning to Gildan, it also filed new evidence consisting of the Third Poirier Affidavit. The Third Poirier Affidavit provided additional facts on Gildan’s continued use, expansion and exercise of control over the SECRET Marks and the SECRET family of trade-marks, on Gildan’s licensing arrangements, on updated sales, promotion and advertising information

related to the SECRET products, and on Gildan's continued enforcement efforts over the use of the SECRET Marks and the SECRET family of trade-marks.

[66] The Third Poirier Affidavit highlighted the fact that Gildan had commenced numerous opposition proceedings, had sent many cease and desist letters and had undertaken infringement actions against third-party trade-marks that include the word SECRET. These included proceedings or actions against trade-marks such as SECRETS FROM YOUR SISTER, WOMEN'S SECRET, SECRET TREASURES and VICTORIA'S SECRET.

[67] The Third Poirier Affidavit specifically referred to Gildan's opposition proceedings and actions against various VS trade-marks using the name VICTORIA'S SECRET and to the fact that these actions were settled by virtue of an agreement between VS and Gildan. Mr. Poirier indicated in his affidavit that the joint agreement with VS contains provisions precluding a reasonable likelihood of confusion by ensuring that the parties' respective goods are sold in distinct and different channels of trade. He also referred to the confidential settlement of opposition proceedings with Wal-Mart regarding the trade-mark SECRET TREASURES. Both of these settlements date back to 2000.

[68] Eclectic did not cross-examine Mr. Poirier on his third affidavit. In its submissions, Eclectic however claims that the Third Poirier Affidavit contains limited evidence of action taken to prevent the use of trade-marks in Canada using the word "secret". While it shows that Gildan has taken enforcement measures in respect of a "good number" of third-party marks, it demonstrates that Gildan has not taken such measures in respect of many third-party marks

containing the word “secret”. Furthermore, Eclectic contends that there are no details on the relief sought against the SECRETS FROM YOUR SISTER trade-mark.

(3) Conclusion on Materiality

[69] After review and analysis of the additional evidence filed by the parties, I am of the opinion that the new evidence would not have materially affected the Registrar’s findings and her determination of likelihood of confusion. More specifically, I find that, when distilled, the new evidence is of limited probative value and of little significance. In essence, the additional elements do not enhance the strength of the evidence before the Registrar because of their shortcomings.

[70] True, Eclectic’s new evidence appears to provide a large quantity of data and examples on the state of the register and on the state of the marketplace and on the alleged common use of the word “secret” by third parties in trade-marks, trade names, business names and websites. I also acknowledge that, unlike the situation in *Cortefiel*, this issue of the common use of the word “secret” in third-party trade-marks in association with women’s intimate apparel was not analyzed and was not regarded by the Registrar in its decisions, nor were the enforcement efforts of Gildan directly addressed by the Registrar. However, when analyzed and read along with Gildan’s new evidence on its continued enforcement efforts over the use of the SECRET Marks and the SECRET family of trade-marks, the reliable and relevant new evidence on the state of the register is extremely limited. It cannot be qualified, in my opinion, as sufficiently substantial and qualitatively material. Similarly, the evidence on the state of the marketplace is irrelevant in many respects and it fails to provide compelling evidence that the businesses and websites

referred to in the affidavits are used or accessed by Canadians or relate in a sufficient number to the women's intimate apparel industry.

[71] In other words, the sheer numbers presented by Eclectic on the state of the register and the state of the marketplace boil down to very little after analysis and, in my opinion, would not have materially impacted the Registrar's determination of likelihood of confusion.

(a) *State of the Register*

[72] I observe that, in *Eclectic Edge*, based on what appears to be very similar affidavits from Mr. Romeo, Ms. D'Amours and Ms. Lee, Justice Manson concluded that the use of the word "secret" appeared to be relatively common place in Canada by third parties in association with lingerie, women's clothing and women's undergarments. However, unlike the situation in *Eclectic Edge*, in the current case, the evidence of Mr. Romeo on the state of the register covers business sectors outside the scope of the wares at stake and was undermined by the evidence provided by Mr. Poirier on the enforcement efforts of Gildan.

[73] First, the search conducted by Mr. Romeo extended to "cosmetics" and "retail services", in addition to clothing and undergarments. Information on trade-marks using the word "secret" in these business spaces is of no relevance to this case and thus bears no weight. The Wares do not include cosmetics or retail services; Eclectic's applications are all related to the women's clothing classification. Gildan does not sell cosmetics as part of the SECRET products or offer retail services, and does not use the SECRET Marks for cosmetics. I note in passing that this is different from VS' business in the *Eclectic Edge* decision. Furthermore, there is no convincing

evidence that women's intimate apparel is sold in the same channels of trade or in the same vicinity as cosmetics. Moreover, Mr. Poirier considers trade-marks, businesses and websites in the cosmetics and beauty sector as not relevant to the SECRET business of Gildan.

[74] This removes an important portion of the potentially competing trade-marks allegedly uncovered in the Romeo Affidavit. As indicated by Mr. Poirier, out of the 315 trade-marks identified by Mr. Romeo, almost a third are not in the clothing industry.

[75] Second, among the 315 trade-marks identified by Mr. Romeo, 93 represent trade-marks related to Gildan and to the family of SECRET Marks. These trade-marks are evidently irrelevant as evidence of third-party use in this case as they relate to the respondent. In addition, this allegedly "new" evidence was already before the Registrar. 80 other trade-marks contained in Mr. Romeo's list are owned by VS. Regarding those VICTORIA'S SECRET trade-marks, I observe that, in the cross-examination of Mr. Poirier on the Poirier Affidavits, Mr. Poirier referred to the fact that Gildan had settled oppositions and actions against VS through a co-existence agreement. This March 2000 agreement restricts VS from selling its VICTORIA'S SECRET products through third-party outlets. Though the Registrar did not refer directly to it in her decision, this evidence was before the Registrar, was part of the record and is presumed to have been known. In the Third Poirier Affidavit, Mr. Poirier repeated the information with more detail, indicating that Gildan's and VS' trade-marks do not operate in the same channels of trade further to the agreement: VS is restricted to its own specialty, brand-name stores while Gildan's SECRET products are sold in department stores and other third-party retail stores.

[76] Therefore, the new evidence on the VS trade-marks is at least partly repetitive. In addition, even though there appears to be some 80 registered trade-marks owned by VS, they would not have an impact on the determination of likelihood of confusion, let alone a material one. The evidence provided by Mr. Poirier indicates that Gildan tolerates the VS trade-marks because they do not and cannot operate in the same channels of trade. As such, they are not considered or perceived as being in the same market. A casual consumer would therefore be accustomed to see the SECRET Marks and the VICTORIA'S SECRET trade-marks in different channels of trade and types of stores and would not reasonably think that they are coming from the same source. In that context, I do not consider that, in those circumstances, the evidence on the presence of registered VS trade-marks can be used as a reflection that usage of the word "secret" is relatively common place in Canada in the relevant industry. Even though the VS trade-marks are registered and used in Canada, they are not in the same market as Gildan's SECRET Marks and are not likely to create confusion in the market for women's intimate apparel.

[77] Third, as was the case in *Cortefiel*, the evidence regarding third-party uses of the SECRET Marks shows that Gildan was diligent in protecting its SECRET trade-marks. In the Third Poirier Affidavit and in its submissions, Gildan describes several of the opposition proceedings and actions brought against other parties using the word "secret" in connection with women's intimate apparel. Actions were brought in this Court against Secrets From Your Sister Inc. and various entities related to VS. Opposition proceedings were initiated against trade-mark applications including WOMEN'S SECRET, SUZY'S SECRET, VICTORIA'S SECRET and OLGA SECRET SHAPERS.

[78] In its submissions, Eclectic more specifically singled out the trade-marks SECRET TREASURES, SECRETS FROM YOUR SISTER, LADY'S SECRET & Design, EUROPEAN SECRET, SUZY'S SECRET and OSTOMYSECRETS. Arguably, these are examples viewed by Eclectic as being significant illustrations of third-party usage of the word "secret". A review of this evidence and of Gildan's submissions reveals that these are not probative examples of common usage in trade-marks related to Wares used in association with women's intimate apparel. SECRETS FROM YOUR SISTER has been challenged by Gildan and all clothing was deleted from the application; there is no evidence of use of this trade-mark for women's intimate apparel. LADY'S SECRET & Design is registered for use in association with specialized women's footwear, not intimate apparel. EUROPEAN SECRET relates to specific head covering products. SUZY'S SECRET has been challenged by Gildan and the application was refused with respect to products forming part of women's intimate apparel. OSTOMYSECRET is restricted to individuals who use ostomy bags. The evidence from Mr. Poirier also indicates that for many trade-marks containing the word "secret" (such as SECRET CENTRAL, OLGA SECRET SHAPERS or SECRETS FROM MY SISTER), they were no longer opposed by Gildan because all clothing items have been deleted from the applications.

[79] With respect to SECRET TREASURES, Gildan concluded a co-existence agreement with Wal-Mart in 2000, and Mr. Poirier indicated in cross-examination that the trade-mark was no longer in use. This evidence was before the Registrar. There is also no evidence of subsequent use of the trade-mark by Wal-Mart since 2000.

[80] Therefore, when the trade-marks opposed or challenged by Gildan and those that do not include clothing-related wares, and more specifically hosiery or intimate apparel, are removed from the Romeo Affidavit, there is little left from Mr. Romeo's list of more than 300 examples. I find that, further to such review, Eclectic's evidence on the state of the register does not support the conclusion that there has been extensive use by third parties of trade-marks incorporating the word "secret" such that the word "secret" can be qualified as common to the trade. Unlike what the evidence appears to have shown in *Eclectic Edge*, it is not a situation where there remains a substantial number of trade-mark registrations and corporate entities shown in the searches in Canada, sufficient to demonstrate the commonality of use of SECRET in association with women's intimate apparel by a number of third parties in Canada. In particular, the reference to the SECRET Marks owned by Gildan, which was a material element singled out by Justice Manson in the Court's conclusion in *Eclectic Edge*, is not a factor assisting the commonality argument in this case. To the contrary, the fact that more than 90 trade-marks containing the word "secret" have been registered by Gildan instead supports Gildan's position.

[81] I have one last comment. In *Eclectic Edge*, after citing the Federal Court of Appeal in *Kellogg Salada Canada Inc. c Canada (Registrar of Trade Marks)*, [1992] FCJ No 562 [*Kellogg*] at pages 358-360, Justice Manson stated that "[w]here 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" (*Eclectic Edge* at para 80; *Molson Co. v John Labatt Ltd.* (1994), 88 FTR 16 (FCA) [*Molson*] at para 8). Eclectic made the same argument and also cited

this *Kellogg* precedent. I agree with this legal statement, to the extent that the words “in use in the same market” are clearly implied in it or added to it.

[82] The *Kellogg* case indeed makes it clear that this well-recognized principle applies with respect to trade marks “in use in the same market”. It requires that the marks comprising the common elements be in “fairly extensive use in the market in which the marks under consideration are being used or will be used”. Use in the market is a key element: when multiple parties effectively resort to the same word in the same business space, no party can assert that their particular trade-mark stands out or has distinctiveness because of its use of that word. However, in this case, there is no such evidence of extensive commercial use and presence allowing to conclude that third-party trade-marks are commonly used in the marketplace. In my view, Eclectic has not provided compelling evidence on the extent and duration of use of relevant third-party trade-marks in the market for women’s intimate apparel in Canada. There is rather evidence of aborted uses because of actions and oppositions taken by Gildan. This is a situation quite different from *Kellogg* and from the evidentiary base in *Eclectic Edge*.

[83] The sole fact that trade-marks may be registered or applied for is not sufficient to show that they are common to the trade. Especially when these registrations or applications are challenged or opposed. Eclectic argues that Gildan has not provided proof of enforcement action to prevent the use of the trade-marks in Canada, besides simply opposing to the registration of trade-marks. However, the burden was on Eclectic to show commercial use of the trade-marks allegedly using the common element, not simply to suggest that some trade-marks “appear” to be used. That burden was not met.

(b) *State of the Marketplace*

[84] On the state of the marketplace, Eclectic similarly claims that the new evidence reveals many unregistered uses of the word “secret” in domain names, business names and in websites related to the Wares and to the women’s intimate apparel industry. A review of the Romeo Affidavit, the D’Amours Affidavit and the Lee Affidavit does not persuade me of that. The new evidence provided by Eclectic offers little probative value of a widespread use of the word “secret” in the field of women’s clothing in general or of women’s hosiery and intimate apparel more specifically.

[85] Once again, the searches conducted in the Romeo, D’Amours and Lee affidavits on the state of the marketplace cover cosmetics and retail services, which are irrelevant and thus unduly inflate the reported numbers with trade-marks and trade names not relating to or specific to the Wares, or not belonging to the women’s intimate apparel business. The evidence contains numerous results related to business sectors as diverse as travel, food, privacy protection, business services, telephone or pornography. Evidence related to these other industries so distinct from the clothing business or to the cosmetics and beauty industry would not have materially affected the Registrar’s decisions. This extended coverage undermines all three affidavits filed by Eclectic. Trade-marks and trade-names in the cosmetics or retail services business spaces may have been relevant with respect to VS (which is active in those sectors) in the *Eclectic Edge* case. However, they are not with respect to Gildan and the SECRET products.

[86] In addition, as noted by Gildan, a number of the websites listed in the new evidence showing domain names incorporating the word “secret” were inaccessible, inactive or foreign (based for example in China, Korea or the US), and thus irrelevant. Others are also irrelevant for different reasons, such as the adult pornography, jewellery or distribution websites. For others, there was no indication that they sold wares or offered retail store services for hosiery or intimate apparel, or clothing branded with the trade-mark or store name. In yet other instances, no information was provided on the location of the businesses or websites or on the nature of the business involved.

[87] The evidence of Ms. D’Amours and Ms. Lee is also significantly undermined, in my opinion, by the failure to confirm that the entities identified in the search results operated in Canada or sold products to Canadians. The evidence does not indicate if the listed websites are accessible from Canada or whether they provide services for purchase by Canadian residents. Nor do the results allow knowing if people in Canada had visited the listed sites and the extent to which the websites have been accessed by Canadian consumers.

[88] For example, for the 19 corporations or registered business names in Canada incorporating the word “secret” in the field of clothing in the D’Amours Affidavit, or for the businesses with a web presence in the field of women’s clothing in the Lee Affidavit, there is no evidence of actual use by Canadian consumers. I also agree with Gildan that the list of search results from the Canadian trade-marks database and business name registers often do not provide much information beyond the business name, location, and generalized business type. So, it is

not known whether they were still in operation or the extent to which their wares were being offered to Canadian consumers in association with the word “secret”.

[89] I acknowledge that, further to a review of the D’Amours Affidavit and Gildan’s analysis of the evidence, some search results provided some business names and contacts or annual sales figures, export areas and business categories, and that some entities appeared to sell intimate apparel. However, I am not persuaded that this would have been sufficient and probative enough to materially affect the Registrar’s decisions in light of the rest of the evidence.

[90] The references to the Lee Affidavit provide a good reflection of the limits of the evidence provided. In its submissions, Eclectic more specifically referred to THE CLOTHES SECRET, SECRET LOCATION, SECRET BRA, SECRETFASHION.COM, THE SECRET BOUTIQUE and MY SECRET LINGERIE STORE. Arguably, these are once more examples viewed by Eclectic as significant illustrations of third-party usage of the word “secret” in the data uncovered by Ms. Lee. A review of this evidence and of Gildan’s submissions again reveals that these are not probative examples. THE CLOTHES SECRET is for used merchandise and consignment shopping; SECRET LOCATION appears to be a retail store services business and contains no reference to hosiery or intimate apparel; SECRET BRA appears to be in the UK; there is no information on the location of SECRETFASHION.COM or THE SECRET BOUTIQUE and neither appears to offer women’s intimate apparel; and MY SECRET LINGERIE STORE is a US site. For numerous others websites not singled out by Eclectic and apparently related to clothing, there is no information on the location of the websites or whether they sell women’s intimate apparel to Canadians.

[91] The fact that the Romeo Affidavit, the D'Amours Affidavit and the Lee Affidavit may have listed hundreds of references is irrelevant. It is not the quantity or sheer numbers that count but rather the quality of evidence showing actual use of the common name "secret" in the Wares and in the relevant industry in Canada.

[92] In light of the foregoing, I do not find that Eclectic's new evidence is compelling or has sufficient probative value to support the conclusion that there has been use by third parties of the names incorporating the word "secret" such that the word "secret" is common to the trade. In my view, this new evidence would not have been significant enough to materially affect the Registrar's assessment and findings on the likelihood of confusion.

[93] Accordingly, I will not treat this appeal as a *de novo* review, and the appropriate standard of review will be reasonableness. This means that, if the Registrar's decision falls within a range of possible, acceptable outcomes which are defensible in respect of the facts and the law, the Court is not allowed to intervene even if its assessment of the evidence might have led it to a different outcome (*Dunsmuir v New Brunswick*, 2008 SCC 9 at para 47). Under the reasonableness standard, as long as the process and the outcome fit comfortably with the principles of justification, transparency and intelligibility, a reviewing court should not substitute its own view of a preferable outcome (*Canada (Minister of Citizenship and Immigration) v Khosa*, 2009 SCC 12 at para 59).

[94] I would add that, even if I had found the new evidence to be substantial enough to reach the point where it could be considered to have materially affected the Registrar's decisions, it

would not have led me to come to a conclusion different from the Registrar on the likelihood of confusion between the VALENTINE SECRET Marks and the SECRET Marks, except perhaps for the VALENTINE SECRET VS Design Mark where the degree of resemblance is more tenuous. The evidence on the use of the word “secret” is at best marginal and simply adds an additional circumstance to consider in the overall confusion analysis. Even under a correctness standard, and bearing in mind the deference to be shown to the Registrar’s findings unaffected by this new evidence, I would not have found that Eclectic’s evidence on the alleged common use of the word “secret” would have constituted a surrounding circumstance sufficient to modify the overall conclusion on the likelihood of confusion and absence of distinctiveness between the parties’ trade-marks.

C. Were the Registrar’s Findings that Eclectic’s VALENTINE SECRET Marks Were likely to be Confused with and not Distinctive from Gildan’s SECRET Marks Correct or Reasonable in view of the Evidence?

[95] Now, the question to be determined is whether, using the standard of reasonableness, the Registrar’s findings on the likelihood of confusion and absence of distinctiveness between the VALENTINE SECRET Marks and the SECRET Marks should be reviewed and set aside. The determination of confusion is linked to the issue of distinctiveness because when a trade-mark is found to be confusing with another trade-mark, it cannot be found to be distinctive. In its decision, the Registrar examined whether there was confusion between the two trade-marks as of three dates: the date of the Registrar’s decision (December 5, 2013) with respect to registrability; the filing date of the application (August 1, 2008) with respect to entitlement; and the date of the filing of the statement of opposition (January 29, 2010) with respect to distinctiveness. These are

the relevant dates for this appeal. While they are different, the test for likelihood of confusion is essentially the same.

[96] The parties indicated during oral argument that the Registrar's findings with respect to the s. 30(i) ground of non-conformity are not at play on this appeal. The only issue for the Court to decide is whether Eclectic's VALENTINE SECRET Marks are likely to be confusing with Gildan's SECRET Marks and non-distinctive. For the reasons that follow, I conclude that the Registrar's conclusions on the likelihood of confusion are reasonable and should not be disturbed. The additional evidence filed on appeal would not have changed the findings of the Registrar.

(1) The Confusion Test

[97] To determine whether trade-marks are confusing pursuant to s. 6(2) of the Act, it must be determined whether "the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class." As outlined by the Supreme Court in *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltee*, 2006 SCC 23 [*Veuve Clicquot*] at para 20, and restated in *Masterpiece Inc v Alavida Lifestyles Inc*, [2011] 2 SCR 387 [*Masterpiece*] at para 40, the test for confusion is "a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the mark." Would such ordinary

consumer or unwary purchaser be likely to think that the trade-marks originate from the same source and that the product of one trade is likely to be related to the product of the other trade?

[98] The issue is not whether Eclectic's products might be confused with Gildan's products but whether the consumer might believe that both products originate from the same source and whether, if Eclectic and Gildan operate in the same area, customers with a general recollection of the SECRET Marks, when confronted with the VALENTINE SECRET Marks for the first time, would be likely to assume an association between the two marks. Evaluating confusion is a matter of first impression and imperfect recollection. In order to determine whether confusion is likely to exist between two trade-marks, this first impression test requires an overall examination of the trade-marks at stake, rather than a close scrutiny of the marks, and seeks to identify similarities (*Miss Universe, Inc v Bohna*, [1995] 1 FC 614 (FCA) at p 6).

[99] In *Mattel* at para 56, the Supreme Court further noted that this consumer must be given some credit to exercise care in different circumstances, being neither a "moron in a hurry" nor a careful and diligent purchaser. Additionally, he or she will be the type of person likely to purchase the wares in question (*Baylor University v Governor and Co of Adventurers Trading into Hudson's Bay* (2000), 8 CPR (4th) 64 (FCA) at para 27).

[100] Subsection 6(5) of the Act directs that, in determining whether confusion exists, regard shall be given to "all the surrounding circumstances," including but not limited to the five circumstances expressly enumerated in the provision. These criteria against which to consider the issue of confusion are: (a) the inherent distinctiveness of the trade-marks or trade-names and the

extent to which they have become known; (b) the length of time the trade-marks or trade-names 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 trade-marks or trade-names in appearance or sound or in the ideas suggested by them. Considerable deference is owed to the Registrar in balancing the various factors set in s. 6(5) of the Act.

[101] As emphasized by the Supreme Court, this list of circumstances is not exhaustive and different circumstances will be given different weight in a context-specific assessment (*Veuve Clicquot* at para 27; *Mattel* at para 73). Furthermore, each trade-mark is to be considered separately (*Masterpiece* at paras 47-48; *Constellation Brands Inc v Domaines Pinnacle Inc*, 2015 FC 1083 at paras 37-43). While the marks must be assessed in their entirety and not dissected for minute examination, the Court can still focus on particular features of the mark that may have a determinative influence on the public perception of the mark (*United Artists Corp v Pink Panther Beauty Corp*, (1998) 80 CPR (3d) 247 (FCA) [*Pink Panther*] at p 263).

[102] Finally, the last listed factor, degree of resemblance, is often likely to have the greatest effect on the confusion analysis, since if the marks do not resemble each other, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion (*Masterpiece* at para 49). In *Masterpiece* at para 62, the Supreme Court further explained the “degree of resemblance” factor:

[62] Resemblance is defined as the quality of being either like or similar; see Shorter Oxford English Dictionary on Historical Principles (5th ed. 2002), at p. 2544, under the definition of "resemblance". The term "degree of resemblance" in s. 6(5)(e) of the Act implies that likelihood of confusion does not arise solely from identical trade-marks. "[D]egree of resemblance" recognizes that marks with some differences may still result in likely confusion.

[103] In the context of a trade-marks opposition proceeding, the party seeking to register the trade-mark (in this case, Eclectic) bears the civil burden of proving on a balance of probabilities that the proposed mark is unlikely to create confusion (*Doris Hosiery Mills Ltd v Warnaco Inc*, 2004 FC 1781 [*Warnaco*] at para 8).

[104] In my opinion, Eclectic has not discharged its burden of proving that the Registrar was unreasonable in finding that the VALENTINE SECRET Marks are confusing with Gildan's SECRET Marks. The Registrar assessed all the pertinent circumstances, in conformity with s. 6(5) of the Act and the requirements developed by the case law for the confusion test, and her findings of likelihood of confusion were reasonable.

(2) The Registrar's Findings on 6(5)(a) to (d)

[105] The parties do not really dispute the Registrar's findings of fact in respect of the factors covered by s. 6(5)(a) to (d) of the Act. What is in dispute are the degree of resemblance of s. 6(5)(e) and the other surrounding circumstances. I will nonetheless briefly discuss the findings of the Registrar on the first four elements of s. 6(5).

[106] In terms of the inherent distinctiveness of the marks and the extent to which the marks are known (factor 6(5)(a)), the Registrar found that Eclectic's VALENTINE SECRET Word Mark, Design Mark and VS Design Mark had the same degree of inherent distinctiveness as Gildan's SECRET Marks. However, the VALENTINE SECRET Lingerie Design Mark was not considered as inherently strong as Gildan's marks because it described the nature of the applied wares. The Registrar further found that Gildan's evidence established that its SECRET Marks had become well known if not famous in Canada in association with hosiery and undergarments. The Registrar also referred to the evidence on the use and reputation of the SECRET Marks in Canada, as outlined in the Poirier Affidavits. The retail sales figures provided by Mr. Poirier reflected that Gildan had, over the 1986 to 2013 period, significant sales of the SECRET products in Canada exceeding \$1.1 billion in total, and promotion expenses of more than \$40 million. Mr. Poirier also provided evidence of substantial retail sales through licensing agreements with Doris.

[107] I also observe that, in the Federal Court cases *Warnaco* and *Cortefiel*, as well as in Board cases such as *Victoria's Secret* and *Doris Hosiery Mills Ltd v Suzy's Inc*, [2009] TMOB No 117, 78 CPR (4th) 196 [*Suzy's Secret*], it was also judicially recognized that the SECRET Marks and SECRET family of marks have become well-known in Canada. All of Eclectic's VALENTINE SECRET Marks except the VS Design Mark had also been found to be inherently distinct in *Eclectic Edge*.

[108] There was however no evidence on Eclectic's use of its marks. It was thus clearly reasonable for the Registrar to conclude that this first factor favoured Gildan.

[109] The Registrar also found that the factor of the length of time that the trade-marks had been in use (factor 6(5)(b)) favoured Gildan, as there was no evidence that Eclectic's VALENTINE SECRET Marks had been used in Canada. Conversely, the Poirier Affidavits illustrated how Gildan first adopted the SECRET trade-mark for hosiery more than 40 years ago, has continuously used the SECRET Marks since then in Canada, has expanded the line of SECRET products to various products within women's intimate apparel, and has continued to register trade-marks containing the word SECRET. It was reasonable for the Registrar to conclude that this factor favoured Gildan.

[110] In terms of the nature of the wares, services or business (factor 6(5)(c)), the Registrar found that many of Eclectic's Wares were either identical or closely related to Gildan's SECRET products in that they all comprised articles of clothing, though there is no evidence of actual use. The main categories are undergarments, lingerie, underwear and sleepwear. The evidence provided by Mr. Poirier indicate that Gildan's SECRET products comprise a wide variety of hosiery and intimate apparel, including underwear, undergarments, lingerie, sleepwear and other articles of clothing. Since a vast number of Eclectic's Wares were either closely related to or overlapped with the SECRET products, this factor favoured Gildan. It was again a reasonable conclusion of the Registrar.

[111] Turning to the nature of the trade (factor 6(5)(d)), the Registrar noted that Eclectic did not introduce evidence with respect to the channels of trade associated with its VALENTINE SECRET Marks. Since there was no reason to assume that there were any significant differences between the channels of trade associated with each party's trade-marks, the Registrar concluded

that it was fairly likely that the Wares would be distributed in the same channels of trade.

Whether the VALENTINE SECRET Marks are confusing with Gildan's SECRET Marks must be considered not only in regard to the present business practices, but also with regard to the possibility that Eclectic might someday operate in any way open to it. This nature of the trade factor also favoured Gildan, and was a reasonable conclusion of the Registrar.

[112] I underline that Eclectic's new evidence on the state of the register or the state of the marketplace does not affect any of these factual findings made by the Registrar.

(3) The Degree of Resemblance

[113] The final enumerated factor to consider is the degree of resemblance between the trade-marks with respect to appearance, sound or the ideas they suggest (factor 6(5)(e)). On this point, the Registrar found a fair degree of similarity in appearance, sound and idea suggested between, on the one hand, the VALENTINE SECRET Word Mark, the VALENTINE SECRET Design Mark and the VALENTINE SECRET Lingerie Design Mark and, on the other hand, the SECRET Marks. The Registrar however noted that the similarity was not as high for the VALENTINE SECRET VS Design Mark.

[114] When examining the degree of resemblance, the Registrar acknowledged that the trade-marks had to be considered in their totality. The Registrar began by determining whether there was an aspect of the trade-mark that was particularly striking or unique, in conformity with the Supreme Court decision in *Masterpiece*. The Registrar recognized that the word "secret" was the dominant component of Gildan's SECRET Marks, as it was its only component. She also found

the word “secret” to be the dominant component of Eclectic’s VALENTINE SECRET Design Mark and VALENTINE SECRET Lingerie Design Mark, as it was in a “larger and more stylized font” than the word “valentine”.

[115] I am persuaded that, looking at the VALENTINE SECRET Design Mark and Lingerie Design Mark, it was reasonable for the Registrar to find the word “secret” striking and dominant based on its larger and stylized font. It was certainly fair and open to her to observe that the larger and more apparent letter style used for the word could draw the consumer’s attention to it. I pause to note that, contrary to what Eclectic argues, the Registrar only considered the word SECRET to be the striking and dominant component for those two Eclectic’s VALENTINE SECRET Marks. She did not make this finding with respect to the other two marks. For the VALENTINE SECRET Word Mark and the VALENTINE SECRET VS Design Mark, she only relied on the fact that these Eclectic trade-marks included Gildan’s SECRET trade-mark in its entirety, which is not only a reasonable statement but also a correct one.

[116] Eclectic submits that the Registrar did not employ the correct approach when she selected elements of its trade-marks that were the most “striking or dominant” to compare with Gildan’s SECRET Marks. According to Eclectic, despite comments that trade-marks are to be considered in their totality, the Registrar wrongly proceeded to find the most striking or dominant element of the mark. I disagree. It is clear from the decisions that the Registrar first considered the entirety of the marks and in fact followed the approach of the Supreme Court in *Masterpiece* in considering whether an element is striking or unique. The Registrar’s analysis is not unlike the more detailed examination undertaken by the Supreme Court in finding that the word

“Masterpiece” was the distinctive component of the mark, as opposed to the word “Living”:

“considering a trade-mark as a whole does not mean that a dominant component in a mark which would affect the overall impression of an average consumer should be ignored... This is because, while the consumer looks at the mark as a whole, some aspect of the mark may be particularly striking” (*Masterpiece* at para 84).

[117] Given that all four of Eclectic’s VALENTINE SECRET Marks included Gildan’s SECRET trade-mark in its entirety, the Registrar found that there was a fair degree of similarity between the parties’ trade-marks in appearance, sound and idea suggested (or some degree of resemblance in the case of the VALENTINE SECRET VS Design Mark). In other words, the Registrar looked at the marks as a whole and identified what, for certain marks, provided the content and the punch of the mark. I am of the opinion that this was a reasonable conclusion of the Registrar in light of the evidence. In fact, it was the correct conclusion to reach for the trade-marks other than the VALENTINE SECRET VS Design Mark.

[118] Because of the “secret” component, the degree of resemblance is such that a casual consumer would likely mistake, as a matter of first impression, a VALENTINE SECRET product to derive from the same source as SECRET and assume that Gildan has expanded its line of products to include Eclectic’s Wares and the VALENTINE SECRET Marks as an extension of its SECRET brand.

[119] I agree with Justice Manson when he said in *Eclectic Edge* (at para 80) that the Registrar should not dissect the trade-mark into component parts and must look at the trade-marks as a

whole as a matter of first impression to the relevant public. This is what the Registrar did in this case, looking first at the marks in their entirety and then looking whether there was anything striking or unique for certain marks. I further note that in *Cortefiel*, the Court had similarly upheld as reasonable the Registrar's finding that the WOMEN'S SECRET and SECRET trade-marks were similar because, among other things, the WOMEN'S SECRET mark included the entirety of the registered SECRET trade-mark and because "secret" was seen as the most distinctive feature of the mark.

[120] That said, as indicated above, I might have come to another conclusion on the VALENTINE SECRET VS Design mark, where the word "secret" is part of a longer phrase under the prominent "VS" letters, and where the Registrar stated that the "VS" letters were the dominant feature. However, I cannot say that the Registrar's finding does not fall within the range of possible, acceptable outcomes in light of the fact that the trade-mark incorporates the word "secret" in its entirety and the other factors considered by the Registrar. Certainly, the limited additional evidence on the state of the register and the state of the marketplace would not have changed that conclusion for this specific mark.

[121] Eclectic argues that the Registrar failed to consider the idea suggested by the VALENTINE SECRET Mark: a secret of some kind associated with the name "Valentine" and Valentine's Day. Because of that, Eclectic contends that there was no similarity between the marks. Eclectic further submits that its VALENTINE SECRET Marks are not similar because, besides using the common word "secret", they do not look the same, nor do they sound the same when pronounced. Eclectic emphasizes that the Gildan's SECRET Marks only suggest the

concept of a secret, an idea suggested by many other trade-marks using the word “secret”. I acknowledge that the Registrar did not, in her decisions, comment on the presence of the word “valentine”. However, I am not convinced that her failure to mention it, in light of her observations on the presence of the common element “secret” in both marks, is sufficient to render her decisions unreasonable. It might have been clearer or more complete to benefit from the Registrar’s views on that element of the VALENTINE SECRET Marks in her decisions, but I am not persuaded that this makes her decisions unreasonable or put them outside of the range of acceptable outcomes. The reasons of a decision-maker will still be valid even if they do not include everything that a Court would have preferred to see incorporated (*Newfoundland and Labrador Nurses’ Union v Newfoundland and Labrador (Treasury Board)*, 2011 SCC 62 at para 15).

[122] I am convinced that the Registrar applied the right test in her decisions and analyzed the VALENTINE SECRET Marks as a whole. The finding of resemblance and that the marks are similar because the VALENTINE SECRET Marks include the entirety of the SECRET Mark does not constitute a reviewable error. Nor is the finding that, for the VALENTINE SECRET Design Mark and Lingerie Design Mark, the word “secret” is the most distinctive feature of those marks. In light of that, it was reasonable for the Registrar to consider the degree of resemblance as a key element allowing her to conclude to a significant likelihood that the average consumer, somewhat in a hurry, would think that the wares offered by Eclectic in association with the VALENTINE SECRET Marks are from Gildan.

[123] As indicated above, the new evidence allegedly showing that the word “secret” was shared with a large number of other trade-marks and business names used in relation to women’s intimate apparel is not convincing. Most if not all trade-marks registrations containing the word “secret” for the Wares in association with women’s intimate apparel have been challenged by Gildan, and there is no compelling evidence of use by Canadians. I am not persuaded that, in light of the other factors suggesting a likelihood of confusion between the VALENTINE SECRET Marks and the SECRET Marks, the few examples of trade-marks, trade-names, businesses or websites which could be found to contain the word “secret” with respect to the Wares are sufficient to render the Registrar’s decisions unreasonable.

(4) The Surrounding Circumstances

[124] In terms of additional surrounding circumstances, the Registrar identified two: the notoriety associated with Gildan’s SECRET Marks and the existence of a family of SECRET trade-marks. Eclectic challenges both findings as unreasonable. I disagree.

[125] On notoriety, the Registrar was satisfied that Gildan’s SECRET Marks had become well-known if not famous in Canada and noted that the fame and reputation of Gildan’s SECRET Marks has been acknowledged in Federal Court and Board decisions (*Cortefiel; Victoria’s Secret; Suzy’s Secret*). The Poirier Affidavits also provided evidence of extensive sales and promotion expenditures for the SECRET products, which were updated in the Third Poirier Affidavit. It is recognized in the case law that strong marks having gained fame and reputation are entitled to a broader scope of protection (*Pink Panther* at 267). There is no evidence disputing the notoriety of the SECRET Marks. There is also no evidence that, in considering the

additional circumstances, the Registrar gave too much weight to the notoriety of Gildan's SECRET Marks. In addition, I consider that the additional evidence on the alleged common use of the "secret" word is not probative enough to change the Registrar's findings on the notoriety of the SECRET Marks.

[126] The Registrar also found that Gildan had established the existence of a "family" of trade-marks containing the word "secret" for hosiery and undergarments. In light of that, the Registrar concluded that consumers familiar with Gildan's SECRET Marks may be more likely to assume that the VALENTINE SECRET Marks were part of Gildan's family of marks because of the SECRET component, therefore increasing the likelihood of confusion.

[127] Eclectic takes the position that the Registrar erred in considering this factor and in accepting the existence of a family of trade-marks containing the word "secret" as an additional circumstance. Eclectic challenges Gildan's assertion that it owns a family of marks, as Gildan merely uses the trade-mark SECRET followed by terms that describe the goods being sold. Eclectic submits that consumers would not perceive such usage as use of different trade-marks containing the word "secret". Furthermore, Eclectic's VALENTINE SECRET Marks do not follow the pattern of the SECRET marks, as the word "valentine" precedes the word "secret" instead of following it directly or being used with the preposition "by". As such, Eclectic submits that Gildan has not demonstrated that it has used any of the trade-marks in the family of marks in a manner such that the family would gain a reputation among the consuming public.

[128] I am not persuaded that the Registrar's conclusion on Gildan's family of SECRET marks is unreasonable. I agree with Gildan that there is no requirement for a strict order to be followed in the use of related marks in a family, as variations are allowed within the use of the marks. At any rate, the word "secret" is clearly the striking component of the SECRET Marks, as well as the word common to all the marks used in relation to the SECRET products, giving each of the SECRET Marks its distinctive character. Of course, each trade-mark is to be considered separately (*Masterpiece* at paras 47-48). But there is evidence on the record supporting the Registrar's conclusion that the existence of a SECRET family of marks contributes to the high degree of fame and reputation attached to the SECRET Marks, as shown by the SECRET products' significant sales and revenues. This is also recognized in other Federal Court and Board decisions (*Cortefiel; Victoria's Secret; Suzy's Secret*). I observe that the evidence and issues presented on this front in these other cases are similar to the present case, which adds to the weight of these precedents.

[129] In my opinion, the Registrar was reasonable in weighing the evidence and in concluding, based on the evidence, that Canadian consumers are sufficiently familiar with Gildan's trade-mark SECRET and family of SECRET Marks that casual consumers would probably believe that identical or closely related Wares associated with the VALENTINE SECRET Marks originate from the same source. She relied on the Poirier Affidavits showing how Gildan, over the years, has adopted a series of trade-marks incorporating "secret" with other words and expanded its line of SECRET products. An average consumer having a general recollection of Gildan's line of SECRET products would likely infer that the VALENTINE SECRET Marks are a logical extension identifying yet another product in its line of products.

[130] I observe that these family of trade-marks or notoriety issues were not factors considered by the Registrar or the Court in *Eclectic Edge*.

[131] Eclectic argues that its additional evidence on the state of the register and the state of the marketplace is another surrounding circumstance to factor in, which would render the Registrar's decisions at least unreasonable. I disagree. For the reasons described above under the discussion on the materiality of this new evidence, I am not persuaded that the new evidence on the state of the register and the state of the marketplace is sufficient to alter the Registrar's conclusions on likelihood of confusion. When distilled, and considering in particular the enforcement efforts of Gildan, this evidence confirms the exercise of proper control by Gildan over its family of SECRET Marks and the fact that Gildan does not tolerate the use of trade-marks containing the word "secret" in its channels of trade.

[132] The new evidence does not show effective use by third parties of trade-marks incorporating the word "secret" in Canada in association with the Wares in the women's intimate apparel industry. A lot of the evidence provided by Eclectic refers to the use of the word "secret" in respect of cosmetics, retail services or other industries, for which Gildan does not have and is not seeking protection through its SECRET Marks. The trade-mark registrations, business names or websites using the word "secret" in respect of unrelated Wares or outside of Canada are also irrelevant to the Registrar's determination of likelihood of confusion.

[133] I agree with Gildan that the affidavit evidence provided by Eclectic does not allow making inferences about the use of trade-marks or trade names in the Canadian marketplace or of

the word “secret” being a common feature in the market for women’s intimate apparel in Canada. This evidence can only be attributed little weight, and it is certainly not enough to render the Registrar’s finding on confusion unreasonable. The evidence rather confirms the high distinctiveness of the SECRET Marks. In fact, the new evidence does not affect the Registrar’s main findings on the notoriety of the SECRET Marks and on the degree of resemblance, on which her conclusions on the likelihood of confusion are anchored.

[134] Under the reasonableness standard, a decision of the Registrar should not be set aside lightly. The new evidence does not rob the decision of the value of the Registrar’s expertise and does not eliminate it. Taking into consideration all the evidence and the factors to be assessed under the Act, I am convinced that the Registrar’s conclusion on the likelihood of confusion was reasonable and that the additional evidence does not change that conclusion.

(5) Distinctiveness

[135] On the issue of distinctiveness, since I find that the Registrar’s findings on confusion are reasonable, so are her findings that Eclectic’s VALENTINE SECRET Marks are not distinctive. For the distinctiveness ground of opposition to succeed, Gildan must show that as of the filing of the statement of opposition, its SECRET Marks had become sufficiently known to negate the distinctiveness of VALENTINE SECRET Marks. Eclectic has not provided new evidence showing that it used its trade-marks in association with the applied-for-Wares as of the date of Gildan’s opposition.

[136] As in *Cortefiel*, the evidence on the diligent efforts of Gildan to protect and enforce its rights to the SECRET Marks supports the reasonableness of the Registrar's decisions. While Gildan may not have challenged every single third party using the word "secret", the evidence provided by Mr. Poirier provided abundant examples of continuous diligence in protecting its marks so as to avoid undermining their distinctiveness (*Cortefiel* at para 87).

IV. Conclusion

[137] The Registrar properly identified the test to be applied to determine whether there would be a reasonable likelihood of confusion between the VALENTINE SECRET Marks and the SECRET Marks. Further to her analysis, the Registrar concluded that there was such likelihood. I am satisfied and agree with the Registrar that a casual consumer observing the VALENTINE SECRET Marks and having no more than an imperfect recollection of the SECRET Marks would likely be confused into thinking that the Wares offered by Eclectic in association with the VALENTINE SECRET Marks originate from Gildan.

[138] Given the evidence and the various factors, I might not have been inclined to conclude that the balance of probabilities favored a reasonable likelihood of confusion for the VALENTINE SECRET VS Design Mark. However, in the absence of additional evidence that would have materially affected the Registrar's decisions, it is not for me to substitute my opinion for that of the Registrar on the weight to be assigned to the various factors set out in the Act. A review of the Registrar's decisions leaves no doubt that the decisions are reasonable and fall within a range of possible, acceptable outcomes which are defensible in respect of the facts and the law. In fact, in most respects, they were correct.

[139] As a result, I dismiss the appeal under section 56 of the Act.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The appeal is dismissed with costs.

"Denis Gascon"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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T-351-14
T-352-14

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