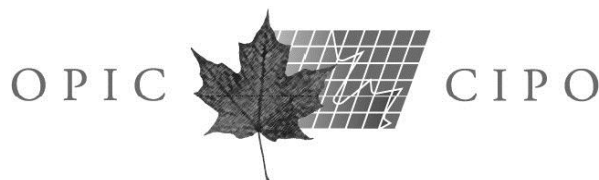


## TRADUCTION/TRANSLATION



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2011 TMOB 79**  
**Date of Decision: 2011-05-31**

**IN THE MATTER OF AN OPPOSITION  
by Red Bull GmbH to application  
No. 1,287,307 for the trade-mark Red  
NRJ in the name of 9087-1047 Québec  
Inc.**

[1] On January 24, 2006, 9087-1047 Québec Inc. (the Applicant) filed an application to register the trade-mark Red NRJ (the Mark) in association with the following wares: “Refreshment and energy drinks containing guarana extracts, ginseng extracts, Ginkgo biloba extracts, Echinacea extracts and vitamin C extracts”. The application for registration is based on use of the Mark in Canada since January 9, 2006. The Applicant disclaimed the right to the exclusive use of the word “red” apart from the Mark.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* on April 25, 2007.

[3] On September 25, 2007, Red Bull GmbH (the Opponent) filed a statement of opposition. The grounds of opposition pleaded under the *Trade-Marks Act*, R.S.C. 1985, c. T-13 (the “Act”) are the following: (i) The Mark is not registrable under s. 12(1)(d) of the Act because it is confusing with the Opponent’s registered trade-mark RED BULL (registration Nos. TMA550,062 and TMA649,668); (ii) the Applicant is not the person entitled to the registration of the Mark under s. 16(1)(a) of the Act because it is confusing with the trade-mark RED BULL previously used in Canada by the Opponent in association with energy drinks; (iii)

the Mark is not registrable under s. 12(1)(b) of the Act because it is clearly descriptive of the character or quality of the wares; and (iv) the Mark is not distinctive in that it is not adapted to distinguish the Applicant's wares from those of the Opponent.

[4] The Applicant filed a counter statement denying all the grounds of opposition raised in the statement of opposition.

[5] In support of its opposition, the Opponent filed the affidavit of Tim O'Hara, dated May 26, 2008, accompanied by his Exhibits 1 to 10, and the affidavit of Victor J. Boucher, dated May 29, 2008, accompanied by his Exhibits VJB-1 and VJB-2. Mr. O'Hara and Mr. Boucher were not cross-examined.

[6] In support of its application, the Applicant filed the affidavit of Frédéric Simard, dated December 16, 2008, accompanied by his Exhibits FS-1 to FS-13. Mr. Simard was not cross-examined.

[7] Only the Opponent filed a written argument and participated in an oral hearing.

### Onus

[8] The onus is on the Applicant to show that its application meets the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition do not prevent the registration of the Mark [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al* (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp. v. The Timberland Company*, (2005), 41 C.P.R. (4th) 223 (F.C.)].

[9] Before analysing the grounds of opposition, I will very briefly review the evidence on file.

Opponent's evidence

Affidavit of Tim O'Hara

[10] Mr. O'Hara is the vice-president of finance and administration of Red Bull Canada Inc., a wholly owned subsidiary of the Opponent.

[11] Mr. O'Hara discussed the history of the RED BULL mark and the international marketing of the energy drink associated with it [§ 2 to § 7]. According to his statements, the drink RED BULL has been extremely popular among young people, athletes and sports clubs since it was launched in Austria in 1987 [§ 2 and § 3]. Mr. O'Hara explained that the Opponent markets the drink RED BULL with the help of distributors located in each country: the distributors are either partners or wholly owned subsidiaries of the Opponent [§ 5].

[12] RED BULL has been sold in Canada since July 27, 2004 [Exhibit 1]. Mr. O'Hara stated that from 2004 to 2007, the Opponent sold "over 129.5 million units in Canada, with the unit sales numbers rising from 4.4 million sold in 2004, to 56.6 million units in 2007" [§ 6]. In early 2008, the retail price of a (250 ml) can of RED BULL ranged from \$2.49 to \$2.69 in Canada [§ 7].

[13] According to Mr. O'Hara, the Opponent registered the mark RED BULL and its trade dress in over 203 jurisdictions [§ 8].

[14] A large part of Mr. O'Hara's affidavit is devoted to the advertising and promotional activities performed to market the RED BULL beverage internationally, including in Canada [§ 9 to § 27, Exhibits 2 to 6; § 31 and § 32, Exhibits 9 and 10]. These activities are carried out through the electronic media (television, radio and cinema); all sorts of marketing activities; the sponsorship of athletes, sports and cultural events and a myriad of other activities; and the Opponent's Web sites.

[15] Mr. O'Hara stated that, in Canada, the Opponent spent over \$19 million between 2004 and 2007 to promote RED BULL through the electronic media, starting with \$1.587 million in 2004 and exceeding \$9.2 million in 2007 [§ 9]. Mr. O'Hara named the 17 athletes who were sponsored by the Opponent and the many sports, cultural and other events held in Canada and

sponsored or supported by the Opponent over the years, starting in 2004 [§ 24 to § 27]. He also provided the addresses of five of the Opponent's Canadian Web sites [§ 31].

[16] Mr. O'Hara discussed the weighted distribution and market share of RED BULL [§ 28]. Below, I reproduce a table found in Mr. O'Hara's affidavit, which shows data that seem to come from AC Nielsen Global Services [Exhibit 7]:

Country	Year	Weighted Distribution	Market Shares (Value)
Canada	2005	98.0%	52.7%
Canada	2006	99.0%	50.3%

[17] Mr. O'Hara also reported on the results of spontaneous and aided awareness studies conducted by various leading institutions on the mark RED BULL [§ 29, Exhibit 8]. Below, I reproduce a table found in the affidavit, showing the study results for Canada:

Country	Year	Aided Awareness	Spontaneous Awareness
Canada	2004	78.0%	35.0%
Canada	2005	85.0%	48.0%
Canada	2006	97.0%	57.0%
Canada	2007	98.0%	82.0%

[18] Although testimony based on data gathered by a third party constitutes inadmissible hearsay evidence, considering Mr. O'Hara's affidavit as a whole, I readily accept that RED BULL qualifies as a well-known trade-mark in Canada.

Affidavit of Victor J. Boucher

[19] Mr. Boucher, an associate professor of linguistics and phonetics at the Université de Montréal, was described as an expert witness. He has a PhD in linguistics and phonetics. His curriculum vitae is appended to the affidavit [Exhibit 1].

[20] Mr. Boucher testified on how French-speaking Canadians are likely to pronounce the letters NRJ in the Mark for an energy drink. He concluded his testimony by expressing the opinion that by reading the letters one after the other, “. . . the reading would in all likelihood evoke the word ‘énergie’ [the French for energy] . . .” [§ 6].

[21] I have no trouble accepting that Mr. Boucher is qualified to provide an expert opinion. Moreover, after having examined the facts and assumptions upon which his opinion is based, in order to assess both its validity and the process by which it was reached (see *William H. Rorer (Canada) Ltd. v. Johnson & Johnson* (1980), 48 C.P.R. (2d) 58 (F.C.T.D.)), I find that Mr. Boucher’s opinion is admissible in evidence.

#### Applicant’s evidence

[22] Mr. Simard, the Applicant’s president since it was incorporated on January 31, 2000, stated that the Applicant is a company that works in food products distribution [§ 1 and § 4].

[23] Mr. Simard stated that the Applicant has used the Mark in Canada in association with the wares listed in the application since at least as early as January 9, 2006. He added that [TRANSLATION] “this yellow energy drink is marketed in a distinctive dress” [§ 5, Exhibit FS-1].

[24] According to Mr. Simard, the energy drinks associated with the Mark [TRANSLATION] “are manufactured by Breuvages Kiri under a license agreement” under which the Applicant has [TRANSLATION] “direct or indirect control of the character or quality of the wares sold under the Mark” [§ 6]. The drinks produced under license by Breuvages Kiri are distributed in Canada by Philippe Simard & Fils Ltée, a company of which Mr. Simard is one of the directors [§ 7 and § 8].

[25] Since 2006, the sales of drinks associated with the Mark have amounted to around \$290,000 [§ 9]. To his affidavit, Mr. Simard appended samples of invoices for 2006 to 2008 [Exhibit FS-2] and examples of labels [Exhibit FS-3]. I note that the notice reproduced below can be found on the two labels appended under Exhibit FS-3:

Marque déposée / Trade Mark

Fabriqué avec l’autorisation de / Produced under the authority of :

Breuvages Red Champagne inc. Québec G8L 1P5

[26] Mr. Simard's affidavit contains no information on the relationship between Breuvages Red Champagne inc. and the Applicant or Breuvages Kiri, which Mr. Simard specifically identifies as a licensee of the Applicant. It must be noted that there is no evidence demonstrating that the Applicant has direct or indirect control of the character or quality of the wares of the energy drinks "produced under the authority of" Breuvages Red Champagne inc., as required by s. 50(1) of the Act.

[27] Still according to Mr. Simard, the Applicant's expenses on advertising and promoting the drinks associated with the Mark since 2006 are evaluated to amount to at least \$29,000 [§ 11]. The Applicant [TRANSLATION] "regularly" promotes and advertises the drinks associated with the Mark [TRANSLATION] "in various printed publications (such as newspapers and posters) and on the radio" [§ 12]. To illustrate this, Mr. Simard filed examples of newspaper advertisements and a poster [Exhibit FS-4], the soundtrack of a radio advertisement [Exhibit FS-5] and photographs of a car and a t-shirt used for promotions [Exhibit FS-6]. I note that Exhibit FS-6 is not limited to the photographs mentioned by Mr. Simard, but also includes two stickers and a photograph of what seems to be a refrigerated display case.

[28] A large part of Mr. Simard's affidavit deals with the marketing and promotion in the Saguenay-Lac-St-Jean region of the soft drinks associated with the Applicant's trade-marks RED CHAMPAGNE and RED POMME VERTE, which Philippe Simard & Fils Ltée also distributes [§ 17 to § 26, Exhibits FS-7 to FS-12]. Some of the relevant exhibits include the particulars of registration No. TMA315,860 for the trade-mark RED CHAMPAGNE (originally owned by a predecessor in title to the Applicant and assigned to the Applicant in October 2000) and samples of labels illustrating use of the mark RED CHAMPAGNE since 2000 and the mark RED POMME VERTE since at least as early as August 2007. Again, I see that the labels show the following note:

Fabriqué avec l'autorisation de / Produced under the authority of :  
Breuvages Red Champagne inc. Québec G8L 1P5

[29] At paragraph 27 of his affidavit, Mr. Simard states that the Mark is [TRANSLATION] “an integral part of the family of RED products” referred to in his affidavit. Because of his many years of experience, he feels qualified to say that the beverage sector is a [TRANSLATION] “highly saturated sector where consumers are regularly faced with trade-marks borrowing common sounds or elements, such as ‘red’, but that have a different source”. He added [TRANSLATION]: “Given the particular context, it is my opinion that consumers faced with the mark Red NRJ in association with energy drinks are not likely to believe that these beverages are associated with those of the Opponent.” I give no weight to these statements. Other than the fact that they are motivated by self-interest, Mr. Simard’s statements constitute conclusions in law that should be drawn by the Registrar on the basis of the evidence on file.

[30] Mr. Simard concluded his affidavit by filing [TRANSLATION] “photos illustrating energy drinks including the word ‘red’, namely the beverages RED DRAIN and RED FIRE, which are currently on the market” [§ 28, Exhibit FS-13].

#### Analysis of the grounds of opposition

[31] I will now analyze the grounds of opposition, but not necessarily in the order in which they were argued.

#### Registrability under s. 12(1)(d) of the Act

[32] The relevant date for assessing the likelihood of confusion in accordance with s. 12(1)(d) of the Act is the date of my decision [see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

[33] Having exercised the discretion of the Registrar, I confirm that the Opponent owns registration Nos. TMA550,062 and TMA649,668 for the mark RED BULL in association with “non-alcoholic beverages, namely sports drinks and energy drinks” (No. TMA550,062) and “(1) non-alcoholic cocktails; (2) non-alcoholic drinks, namely energy and sports drinks” (No. TMA649,668). Since the Opponent has met its initial burden of proof, it falls to the Applicant to demonstrate, on a balance of probabilities, that there is no likelihood of confusion between the Mark and the Opponent’s RED BULL trade-mark.

[34] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that the use of a trade-mark causes confusion with another trade-mark if 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.

[35] In deciding whether trade-marks are confusing, the Registrar must consider all the surrounding circumstances, including those enumerated in s. 6(5) of the Act, namely (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time the trade-marks have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. This is not an exhaustive list, and different weight may be attributed to the various factors according to the context [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.); and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 C.P.R. (4th) 401, (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

(a) the inherent distinctiveness of the trade-marks and the extent to which they have become known

[36] With respect to the inherent distinctiveness of the trade-marks at issue, I note, first, that the words “red” and “bull” are common English words. Second, the evidence shows that the letters “NRJ” associated with energy drinks have a suggestive connotation for French-language Canadians. At the hearing, the Opponent submitted that, despite the lack of evidence to that effect, it was reasonable to conclude that for English-speaking Canadians, the letters “NRJ” associated with energy drinks would also, to some extent, evoke the word “energy”. I agree with the Opponent. In any event, as stated by the Federal Court of Appeal in *Smithkline Beecham Corp. v. Pierre Fabre Médicament* (2001), 11 C.P.R. (4th) 1 (F.C.A.), once there is a risk of confusion in either of the country’s two official languages a trade-mark cannot be registered.

[37] Ultimately, I find that both the trade-marks at issue are inherently distinctive, even though the Mark is arguably less so given its suggestiveness.



[38] One can increase the strength of a trade-mark by making it known through promotion and use. While the Applicant's evidence shows that the Mark has become known to some extent in Canada, the Opponent's evidence demonstrates that the mark RED BULL has become well-known across Canada. I would add that Exhibit FS-3 appended to Mr. Simard's affidavit attempts to establish that the Mark became known in Canada as a trade-mark of Breuvages Red Champagne inc. rather than of the Applicant.

[39] I have no difficulty concluding that, overall, the factors enumerated at s. 6(5)(a) of the Act strongly favour the Opponent.

(b) the length of time the trade-marks have been in use

[40] The application for registration is based on use of the Mark in Canada since January 9, 2006. However, the evidence tends to show that use of the Mark did not benefit the Applicant, making it difficult to assign a date of first use of the Mark by the Applicant. In any event, since the evidence demonstrates that the mark RED BULL has been in use since July 2004, the length of time during which the trade-marks have been in use favours the Opponent.

(c) the nature of the wares, services or business; and (d) the nature of the trade

[41] There is no difference between the wares described in the application for registration and the wares ("energy drinks") mentioned in the Opponent's registrations. Regarding the nature of the trade, it must be acknowledged that neither Mr. O'Hara nor Mr. Simard explicitly discussed the parties' market niches. However, the wares being identical leads to the logical conclusion that they are destined for the same consumers and are thus likely to be distributed in the same market niches. Moreover, as submitted by the Opponent, we are dealing with convenience goods. It is trite law that consumers pay less attention to the purchase of convenience goods than to the purchase of a more costly product, such as a car or a refrigerator [see *General Motors Corp. v. Bellows* (1949), 10 C.P.R. 101 (S.C.C.)].

(e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[42] In light of the statements made by Mr. O'Hara and Mr. Simard on the trade dress of each party's wares, I note that I must compare the applied-for Mark, namely Red NRJ, with the registered mark, namely RED BULL. Consequently, the products' trade dress is not relevant in my assessment of the degree of resemblance of the marks at issue.

[43] I find that there is a fair degree of resemblance between the marks at issue when considered in their entirety. In addition to each consisting of two elements, the first element of each mark is identical. It is generally recognized that the first component of a trade-mark is more important than what follows to establish a distinction [see *Conde Nast Publications Inc. v. Union des éditions modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]. Moreover, I agree with the Opponent that the letters "NRJ" are not likely to have a determinative influence on the average consumer's perception of the Mark given their suggestive connotation. Lastly, each mark suggests the idea that the person who will consume that particular energy drink will be [TRANSLATION] "raring to go".

#### Additional circumstances

[44] The Opponent's representations lead me to include the Applicant's evidence concerning the marks RED CHAMPAGNE and RED POMME VERTE and the [TRANSLATION] "market presence" of beverages RED DRAIN and RED FIRE [TRANSLATION] as additional circumstances in my comments.

[45] Let me note from the outset that I do not attribute any weight to the fact that the Applicant owns registration No. TMA315,860 for the trade-mark RED CHAMPAGNE. Its ownership of this registration does not give the Applicant the automatic right to obtain registration for the Mark (see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.); *Ralston Purina Canada Inc. v. H.J. Heinz Co. of Canada Ltd.* (2000), 6 C.P.R. (4th) 394 (T.M.O.B.)).

[46] Moreover, the examples of use of the trade-marks RED CHAMPAGNE and RED POMME VERTE demonstrate use by the company Breuvages Red Champagne inc. I again note the lack of evidence establishing that the Applicant has direct or indirect control of the character or quality of the wares "produced under the authority of" Breuvages Red Champagne inc. Since

the evidence does not demonstrate that use of the marks RED CHAMPAGNE and RED POMME VERTE benefits the Applicant, I am not inclined to conclude that the Applicant owns a family of marks including the word “red”. I would add that if it were concluded that the Applicant has proved the existence of a family of marks including the word “red”, it must be found that that family of marks is not associated with energy drinks.

[47] Lastly, I fully agree with the Opponent that a mere statement by Mr. Simard on the RED DRAIN and RED FIRE beverages is in itself insufficient to establish that trade-marks including the word “red” are commonly used on the Canadian marketplace in association with energy drinks. Other than the fact that Mr. Simard’s statement does not in itself constitute conclusive evidence of continuous use of the trade-marks RED DRAIN and RED FIRE for a length of time and in a given area, I am not prepared to infer that these marks are owned by distinct entities.

#### Conclusion – likelihood of confusion

[48] In applying the test for confusion, I have considered that this is a test of first impression and imperfect recollection. Having examined all of the surrounding circumstances, I find that the Applicant has not met its burden of showing that confusion between the Mark and the Opponent’s RED BULL mark is not likely.

[49] Having regard to the foregoing, I allow the ground of opposition based upon s. 12(1)(d) of the Act.

[50] I would like to add that even if the evidence demonstrated that use of the Mark by Breuvages Red Champagne inc. benefited the Applicant under s. 50(1) of the Act, I would still decide against the Applicant. In fact, considering the extent to which the mark RED BULL has become known in Canada, the nature of the wares, the nature of the trade, and the degree of resemblance between the trade-marks, I would conclude that the Applicant has not discharged its burden of establishing, on a balance of probabilities, that the Mark is not confusing with the Opponent’s RED BULL trade-mark.

#### Entitlement to register under s. 16(1)(a) of the Act

[51] The relevant date for assessing the likelihood of confusion for this ground of opposition is the date of first use claimed in the application for registration [s. 16(1) of the Act]. The Opponent discharged its initial burden of proving that it was using the mark RED BULL in association with an energy drink prior to the relevant date and that it had not abandoned use of the Mark at the date of advertisement of the Applicant's application [s. 16(5) of the Act].

[52] The difference between the relevant date for this ground of opposition and the relative date for the ground based on s. 12(1)(d) does not really affect my previous analysis of the surrounding circumstances. Consequently, I conclude that the Applicant has not discharged its burden to demonstrate that there was no likelihood of confusion between the Mark and the Opponent's RED BULL mark as of January 9, 2006.

[53] Having regard to the foregoing, I allow the ground of opposition based upon s. 16(1)(a) of the Act.

Registrability under s. 12(1)(b) and lack of distinctiveness

[54] Since I have allowed two grounds of opposition, I find it unnecessary to rule on the remaining grounds of opposition.

Disposition

[55] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application for registration pursuant to s. 38(8) of the Act.

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Céline Tremblay  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

Certified true translation  
Johanna Kratz