



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

Citation: 2016 TMOB 12
Date of Decision: 2016-01-21

IN THE MATTER OF AN OPPOSITION

PepsiCo, Inc.

Opponent

and

Coca-Cola Inc./Coca-Cola Ltée

Applicant

1,421,790 for ZERO

Application

Overview

[1] PepsiCo, Inc. opposes registration of the trade-mark ZERO (the Mark) that is the subject of application No. 1,421,790 by Coca-Cola Inc./Coca-Cola Ltée.

[2] Filed on December 15, 2008, the application is based on use of the Mark in Canada since at least as early as September 26, 2005 in association with the following:

Goods:

Non-alcoholic beverages namely: carbonated soft drinks; syrups and concentrates used in the preparation of carbonated soft drinks.

Services:

Advertising services, promotional services and marketing services, namely: retail store based advertising programs, retail store and special-event based product sampling programs, product sample distribution programs and coupon programs all related to the distribution and sale of carbonated soft drinks, and syrups and concentrates used in the preparation of carbonated soft drinks.

[3] The Opponent alleges that: (i) the application does not conform to the requirements of section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(b) of the Act; and (iii) the Mark is not distinctive under section 2 of the Act.

[4] For the reasons that follow, I refuse the application.

The Record

[5] The Opponent filed a statement of opposition on March 14, 2011, which was amended on August 3, 2011 and February 3, 2012, each time with leave from the Registrar. The Applicant filed and served its counter statement on October 3, 2011, which was amended on May 16, 2012 with leave from the Registrar, denying all of the grounds of opposition.

[6] In support of its opposition, the Opponent filed the following evidence: the affidavit and the supplementary affidavit of Ronald Robb Arnold Hadley, Marketing Director, Enjoyment and Transformation, The Pepsi Bottling Group (Canada); the affidavit of Darren Hall, an articling student employed by the Opponent's trade-mark agent; and the affidavit of Michael Stephan, Senior Investigator with Canpro King-Reed LLP. Mr. Hadley and Mr. Stephan were both cross-examined; the transcripts of their cross-examinations, along with replies to undertakings, have been made of record.

[7] In support of its application, the Applicant filed the following evidence: the affidavit of Mary P. Noonan, a searcher employed by the Applicant's trade-mark agent; the affidavit of Michael Samoszewski, Director, Coca-Cola Trade-marks, of the Applicant; and the affidavit of Tania Villegas, Integrated Marketing Science Manager of the Applicant. Mr. Samoszewski and Ms. Villegas were both cross-examined; the transcripts of their cross-examinations, as well as Mr. Samoszewski's replies to undertakings, have been made of record.

[8] Both parties filed a written argument and attended the hearing.

The Parties' Respective Burden or Onus

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with 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 [see *John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[10] Before addressing the grounds of opposition, I begin with a summary of the evidence filed by the parties.

The Opponent's Evidence

Foreign Opposition Decisions

[11] Attached as Exhibits 1 and 2 to Mr. Hall's affidavit are copies of a decision and of an appeal decision by the United Kingdom Intellectual Property Office (UKIPO) dated December 19, 2008 and August 17, 2009 respectively, in which Pepsi Co, Inc. (the Opponent in the present case) successfully opposed the application for registration of the trade-mark reproduced below, by The Coca-Cola Company (the parent company of the Applicant in the present case), for "mineral and aerated waters and non-alcoholic drinks (not including non-alcoholic beer); fruit drinks and fruit juices; syrups and other preparations for making beverages".



[12] Foreign decisions are not binding upon the Registrar. Nevertheless, they may be considered for their persuasive value where appropriate [see *Neutrogena Corp v Guaber SRL* (1993), 49 CPR (3d) 282 (TMOB); *Origins Natural Resources v Warnaco US* (2000), 9 CPR (4th) 540 (TMOB) at 548]. Even so, foreign law is considered to be facts that must be proven [*Waterford Wedgwood PLC v Forma-Kutzscher GmbH*, 2006 CanLII 80364 (TMOB)]. In the present case, there is no evidence of the law of trade-marks applicable in the United Kingdom. In the absence of such evidence, it is difficult to give any weight to these decisions. In any event, the UKIPO decisions appear to be based on legal considerations that are different from those found in the Act, on evidence that is different from that of present case, with considerable

discussion surrounding the figurative element of the trade-mark. Under these circumstances, I do not find these foreign decisions to be persuasive in the context of the present proceeding.

The Food and Drug Regulations

[13] In his affidavit, Mr. Hadley explains that the *Food and Drug Regulations* govern the use of certain terms on the label and packaging of food products and beverages in Canada. Attached as Exhibit 3 to the Hadley affidavit are excerpts from the *Food and Drug Regulations* C.R.C., c. 870, pertaining to the conditions under which specific statements or claims can be made regarding the energy value or the nutrient content of certain food products and drinks in Canada. Notably:

- statements such as “0 energy”, “zero energy”, “0 Calories” and “zero Calories” can be made for food that provides less than 5 Calories per reference amount and serving of stated size;
- statements such as “0 fat” and “zero fat” can be made for food that contains less than 0.5g of fat per referenced amount and serving of stated size;
- statements such as “0 trans fatty acids”, “zero trans fatty acids”, “0 trans fat”, “zero trans fat”, “0 trans” and “zero trans” can be made for food that contains less than 0.2g of trans fatty acids per reference amount and serving of stated size; and
- statements such as “0 sugar” and “zero sugar” can be made for food that contains less than 0.5g of sugars per reference amount and serving of stated size.

Use of “zero” or “0” on Food Products and Beverages

[14] According to Mr. Hadley, companies primarily use “zero” or “0” on beverages to describe products that have zero calories or zero sugar; on dairy products to describe products that have zero fat; and on snack foods to describe products that have zero trans fats. As such, Mr. Hadley states that consumers are familiar with the usage and the meaning of the terms “zero” and “0” on food products and beverages.

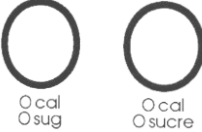
[15] Evidence pertaining to the manner in which these terms appear on food and beverage products sold by the Opponent and others in the food industry, summarized below, can be found in Mr. Hadley’s and Mr. Stephan’s affidavits.

I. TROPICANA TWISTER ZERO by the Opponent and its Subsidiaries

[16] According to Mr. Hadley, the Opponent, through its subsidiaries, had manufactured, marketed, and sold a fruit-based beverage that contains zero sugar called TROPICANA TWISTER ZERO in Canada. TROPICANA TWISTER ZERO was first sold in May 2005, last manufactured in fall 2006, and sold by retail until October 2008 in Canada [Hadley affidavit and Hadley cross-examination, answer to undertaking Q118]. In 2005 and 2006, the total sales of TROPICANA TWISTER ZERO to retailers and food service providers exceeded \$950,000 in Canada. Sample labels showing TROPICANA TWISTER ZERO with the statement “0g of sugar per 250ml”, copies of print ads showing similar information with beverages bearing similar labels, as well as sample invoices from 2005 and 2006, are attached as Exhibits 4 to 7 to the Hadley affidavit. Although sales of TROPICANA TWISTER ZERO continued until 2008, no sales figures were provided beyond 2006.

II. DIET 7UP by the Opponent and its Subsidiaries

[17] According to Mr. Hadley, the Opponent, through its subsidiaries, has been manufacturing, marketing, and selling DIET 7UP carbonated beverage products in Canada. The term “zero” was first used on the labels and packaging of DIET 7UP products in April 2007 as part of the terms “ZERO CALORIE” and “ZÉRO CALORIE” to describe that the beverages contain zero calories; the terms were replaced by the “0” Logos later on to indicate that the product contains zero calories and zero sugar.



	On the Label or Packaging		Sample Labels in the Hadley Affidavit	Sales Figures
	“ZERO CALORIE” “ZÉRO CALORIE”			
DIET 7UP	First use: April 2007	Updated in April 2010	Exhibit 9	More than \$150 million between 2007 and 2011

[18] Mr. Hadley further states that the “0” Logos were modified in August 2011, after the relevant dates in the present proceeding, following a voluntary industry initiative to provide a uniform caloric label on beverages.

[19] Attached as Exhibits D and J to the supplemental Hadley affidavit are sample invoices evidencing sales of DIET 7UP products in Canada bearing the term “zero” and/or “0” on the labels or packaging. Mr. Hadley also provides the aggregate sales totals for the DIET 7UP products bearing these terms or logos in Canada between 2007 and 2011, as indicated in the table above.

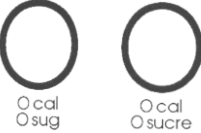
III. DIET PEPSI and PEPSI MAX by the Opponent and its Subsidiaries

[20] According to Mr. Hadley, the Opponent, through its subsidiaries, has been manufacturing, marketing, and selling a number of DIET PEPSI carbonated beverage products in Canada, with the earlier labels and packaging using the terms “ZERO CALORIE” and “ZÉRO CALORIE” to describe that the beverages contain zero calories, and the later versions using variations of the “0” Logos to indicate that the product contains zero calories and zero sugar.

	On the Label or Packaging			Sample Labels in the Hadley Affidavit	Sales Figures
	“ZERO CALORIE” “ZÉRO CALORIE”	 0 cal 0 sug	 0 cal 0 sucre		
DIET PEPSI JAZZ	First use: June 2007			Exhibit 11	More than \$800 million from 2007 to 2011
DIET PEPSI	First use: December 2007	Updated in May 2009	Updated in May 2010	Exhibit 11	
CAFFEINE FREE DIET PEPSI	First use: December 2007	Updated in May 2009		Exhibit 11	
DIET PEPSI Lime		First use: December 2009	Updated in May 2010	Exhibit 11	

[21] Attached as Exhibit F to the supplemental Hadley affidavit are sample invoices evidencing sale of various DIET PEPSI products in Canada bearing the term “zero” and/or “0” on the labels or packaging. Mr. Hadley also provides the aggregate sales totals for the DIET PEPSI products bearing these terms or logos in Canada between 2007 and 2011, as indicated in the table above.

[22] Similarly, Mr. Hadley states that the Opponent, through its subsidiaries, has been manufacturing, marketing, and selling a number of DIET PEPSI MAX carbonated beverage products in Canada, with labels and packaging using the terms “ZERO CALORIE” and “ZÉRO CALORIE” to describe that the beverages contain zero calories since March 2008. The product became PEPSI MAX in May 2009 and the “0” Logos were used to indicate that the product contains zero calories and zero sugar; the labels and packaging were updated again in January 2011 to show “0 CALORIES”, “0 CALORIE”, “ZERO CALORIES” and “ZÉRO CALORIE”.

	On the Label or Packaging			Sample Labels in the Hadley Affidavit	Sales Figures
	“ZERO CALORIE” “ZÉRO CALORIE”		“0 CALORIES” “0 CALORIE” “ZERO CALORIES” “ZÉRO CALORIE”		
DIET PEPSI MAX and PEPSI MAX	First use: March 2008	Updated in May 2009	Updated in January 2011	Exhibit 17	More than \$40 million between 2008 and 2011

[23] Attached as Exhibit F to the supplemental Hadley affidavit are sample invoices evidencing sale of various DIET PEPSI MAX and PEPSI MAX products in Canada bearing the term “zero” and/or “0” on the labels or packaging. Mr. Hadley also provides the aggregate sales totals for the DIET PEPSI MAX and PEPSI MAX products bearing these terms or logos in Canada between 2008 and 2011, as indicated in the table above.

[24] In terms of advertising, Mr. Hadley states that the Opponent, through its subsidiaries, has been advertising and promoting its DIET PEPSI and CAFFEINE FREE DIET PEPSI products bearing these terms or logos since 2007 to inform consumers that these beverage products contain zero calories or zero calories and zero sugar in Canada [see Exhibits 13 to 16 to the Hadley affidavit for sample vending machine advertising in 2009 and point of sale advertising from 2008 to 2011].

[25] As for DIET PEPSI MAX and PEPSI MAX products, representative and sample advertising materials displayed on vending machines in 2011, at points of sale from 2008 to

2011, for radio and tv broadcasts from 2009 to 2011, at sporting events in 2010 and 2011, for taxi cab advertising in 2011, and banner ads on third party websites from 2010, bearing these terms or logos are attached as Exhibits 19 to 26 to the Hadley affidavit. They are said to be designed to inform the consumers that the products contain zero calories, with “maximum taste”.

[26] In addition to the above mentioned advertising materials, I note that printouts from the Opponent’s subsidiaries’ website located at *www.pepsi.ca* and from their *Facebook* and *Twitter* pages are attached as Exhibits 15, 16, 24 and 25 to the Hadley affidavit. However, the printouts appear to have been taken in 2012, after the relevant dates in the present proceeding.

IV. LIPTON Diet and 0 CAL BRISK by the Opponent and its Subsidiaries’ Partnership with Unilever

[27] According to Mr. Hadley, the Opponent formed a partnership with Conopco, Inc. (operating as Unilever) to manufacture, market, and sell LIPTON Diet and 0 CAL BRISK beverages in Canada, under license from Unilever Canada Inc. Mr. Hadley states that the term “zero” was used on the labels and packaging to describe that the products contain zero calories.

[28] Attached as Exhibits G and K to the supplemental Hadley affidavit are sample invoices evidencing sale of various LIPTON Diet and 0 CAL BRISK products in Canada bearing the term “zero” and/or “0” on the labels or packaging. Mr. Hadley provides aggregate sales totals for the LIPTON Diet products with those of 0 CAL BRISK in Canada bearing these terms or logos between 2007 and 2011, but not the breakdown per product or per year.

	On the Label or Packaging		Sample Labels in the Hadley Affidavit	Sales Figures
	“ZERO CALORIE” “ZÉRO CALORIE”	0 CAL		
LIPTON Diet White Tea	First use: April 2007 Sold until 2009		Exhibit 27	More than \$30 million from 2007 to 2011
LIPTON Diet Iced Tea	First use: June 2007		Exhibit 27	
LIPTON Diet Green Tea	First use: June 2007		Exhibit 27	
0 CAL BRISK		First use: March 2011	Exhibit 27	

[29] I note that the aggregate sales figures include the sale of 0 CAL BRISK beverages, with the term “0 CAL” on the labels and packaging, which only began in March 2011, after the material time in the present proceeding. I further note that the LIPTON Diet White Tea with the terms “ZERO CALORIE” and “ZÉRO CALORIE” was only sold until 2009.

[30] In terms of advertising, Mr. Hadley states that the partnership has been advertising and promoting its LIPTON Diet and 0 CAL BRISK products bearing these terms since 2007 [see Exhibit 29 to the Hadley affidavit for sample point of sale ads from 2007 to 2011, sample coupons from 2010, and transit ads from 2010]. Mr. Hadley further states that the partnership has promoted its LIPTON Diet beverages bearing these terms through print ads in publications distributed to diabetes patients and professionals [see Exhibit 30 to the Hadley affidavit for sample print ads from 2007 to 2011].

V. Third Party Beverage Products

[31] In addition to evidence pertaining to the Opponent’s beverages and those associated with its partnership with Unilever, the Opponent also produced evidence pertaining to third party beverage products with labels and packaging that bear the terms “zero” and “0” through Mr. Hadley’s and Mr. Stephan’s affidavits.

[32] In this regard, Mr. Hadley sets out third party beverages that he was able to purchase in January and February 2012, including those of the Applicant, and provides the results of A.C. Nielsen data queries pertaining to certain third party products which will be discussed in further detail below. Mr. Stephan provides the dates of first use pertaining to various third party beverages in Canada that the investigator was able to obtain by contacting a number of the companies at the end of January 2012.

[33] The evidence provided by Mr. Hadley and Mr. Stephan on these beverages may be summarized as follows:

	On the Label or Packaging	Date of First Use of “0” or “ZERO” on Label or Packaging		Sample Labels or Packaging
		A.C. Nielsen Data	Investigator Results	
MONSTER ENERGY ABSOLUTELY ZERO	“MONSTER ENERGY ABSOLUTELY ZERO” “ZERO CALORIES”	March 2011 (with \$3.4 million sales in last 52 weeks*)		Exhibit 38 to the Hadley Affidavit
NESTEA ZERO Iced Tea	“NESTEA ZERO” “0 calories” “0 calorie”	January 2006 (with \$12 million sales in last 52 weeks*)		Exhibit 34 to the Hadley Affidavit
NESTEA ZERO Green Tea	“NESTEA ZERO green tea” “0 CALORIES PER CAN”			Exhibit 35 to the Hadley Affidavit
PRESIDENT’S CHOICE Cola	“0 CALORIES COLA”	January 2006		Exhibit 39 to the Hadley Affidavit
LIFE Vitaminized Water	“ZERO CALORIE” “ZÉRO CALORIE”	June 2011		Exhibit 40 to the Hadley Affidavit
STEAZ ICED TEA	“STEAZ zero calories iced teaz” “zero calorie”	April 2011		Exhibit 41 to the Hadley Affidavit
NESTLÉ PURE LIFE Naturally Fruit Flavoured Water	“0 CALORIES”	Unable to confirm	Did not know the answer	Exhibit 42 to the Hadley Affidavit
SELECTION Flavoured Sparkling Water	“zero calories”	Unable to confirm	Product introduced in July 2009	Exhibit 43 to the Hadley Affidavit
GOOD4U Raspberry Green Tea Athletic Drink	“0 CALORIES”	Unable to confirm	Product with “0” on label for the last 15 months	Exhibit 45 to the Hadley Affidavit
WORKX ENERGY Power Shot	“ZERO CALORIES”	Unable to confirm	Current packaging released end of 2010 or early 2011	Exhibit 46 to the Hadley Affidavit

<p>IRRESISTIBLES LIFE SMART Nutrient Enhanced Water</p>		<p>Unable to confirm</p>	<p>Product introduced in January 2010</p>	<p>Exhibit 2 to the Stephan affidavit</p>
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* 52 weeks ending December 2011.

[34] According to Mr. Hadley, the labels and packaging of the NESTEA ZERO products indicate that they are manufactured by Coca-Cola Refreshments Canada Company, an affiliate of the Applicant, under license from Produits Nestlé S.A. This information was corroborated by Mr. Samoszewski during cross-examination [Samoszewski cross-examination, Q94]. While Mr. Samoszewski refused to provide the launch date of NESTEA ZERO in Canada [Samoszewski cross-examination, answer to undertaking Q96], the Applicant indicated at the hearing that it accepts the date of first use provided in Mr. Hadley’s affidavit via the A.C. Nielsen data.

[35] I note that in his affidavit, Mr. Hadley includes information regarding a product called ARNOLD PALMER ZERO Half & Half Iced Tea Lemonade beverage, as well as a product called IRRESISTIBLES LIFE SMART Nutrient Enhanced Water beverage, both of which were allegedly purchased by the Opponent’s trade-mark agent on December 7, 2011. I will not give any weight to Mr. Hadley’s evidence in this regard given that the Opponent has not provided any explanation as to why it is necessary and reliable hearsay evidence. Nevertheless, with respect to IRRESISTIBLES LIFE SMART Nutrient Enhanced Water, since Mr. Stephan attests to having purchased the product on January 26, 2012 as well, I will discuss this evidence later in my decision.

VI. COCA-COLA ZERO by the Applicant

[36] In his affidavit, Mr. Hadley also provides details pertaining to the use of the term “zero” by the Applicant on its products and in its advertising materials to describe “zero calories”, as well as evidence purported to show the Applicant’s knowledge of such use by others in the industry, by referencing evidence that was previously filed in a separate opposition proceeding

between the same parties, albeit in reversed roles. In particular, Mr. Hadley attaches excerpts of evidence allegedly filed by one of the Applicant's [as the opponent] affiants, Mr. Mark Ferris, in that case, namely copies of exhibits such as television ads and website printouts, as well as very limited excerpts of the transcripts of his cross-examination, purported to show the Applicant's own use of the Mark and of its knowledge of use of the term by others in the industry.

[37] Having reviewed the excerpts in question, I will not have regard to the copies of exhibits filed as part of Ferris' affidavit, or to the excerpts of his answers during cross-examination, in that other proceeding for the reasons that follow.

[38] The Registrar has previously accepted photocopies of affidavits filed in other opposition proceedings where the circumstances justify such a course of action [see *Beachcombers Restaurant Ltd v Vita-Park Citrus Products Co* (1976), 26 CPR (2d) 282 (TMOB) and *Barbara's Bakery Inc v Sparkles Photo Ltd* 2011 TMOB 28]. In *Springwall Sleep Products Ltd v Ther-a-Pedic Associates, Inc* (1984), 79 CPR (2d) 227 (TMOB), Member Martin also pointed to factors that have been considered in doing so, including (a) whether or not the parties to the proceedings are the same; (b) whether or not the trade-mark applied for is the same in both proceedings; (c) the availability of the affiant for cross-examination; and (d) whether or not all, or most, of the issues in both proceedings are the same.

[39] In the present case, I have no information regarding that other proceeding, the particulars of the trade-mark in question, the statement of opposition filed, the grounds of opposition in question, the affiant's background or his position with the Applicant at that time, the affidavit itself, the context of the questions asked during cross-examination, or whether the information in that other case is still relevant. Under these circumstances, I am unable to determine the reliability and the necessity of this evidence in the context of the present opposition proceeding. In any case, I note that similar exhibits were filed by the Applicant in the present proceeding as part of Mr. Samoszewski's affidavit; I will discuss this evidence later in my decision.

VII. *The Opponent and its Subsidiaries – Snacks*

[40] In his affidavit, Mr. Hadley states that PepsiCo Foods Canada, a subsidiary of the Opponent, markets, distributes and sells LAY'S and RUFFLES potato chips, as well as

DORITOS flavoured tortilla chips in Canada, under license from another subsidiary of the Opponent, Frito-Lay North America, Inc. PepsiCo Foods Canada also markets, distributes and sells QUAKER chocolate fudge brownie mix in Canada. The descriptions “0 TRANS FAT GRAS TRANS” and “0 Trans Fat 0 gras trans” are used on the packaging of these products to describe that they contain zero trans fat. The evidence provided by Mr. Hadley on these snacks may be summarized as follows:

	On Packaging “0 TRANS FAT GRAS TRANS” or “0 Trans Fat 0 gras trans”	Sample Art Files of Packaging	Sales Figures	Sample Invoices	Sample Ads
LAY’S Potato Chips	Since at least as early as 2004	Exhibit 56	More than \$250 million per year between 2004 and 2011	Exhibits H and L to the suppl. Hadley affidavit	Exhibits 57 to 60 to the Hadley affidavit and Exhibit P to the suppl. Hadley affidavit
RUFFLES Potato Chips	Since at least as early as 2006	Exhibit 61	More than \$100 million per year between 2006 and 2011		Exhibits Q and R to the suppl. Hadley affidavit
DORITOS Flavoured Tortilla Chips	Since at least as early as 2005	Exhibit 62	More than \$100 million per year between 2005 and 2011		
QUAKER Chocolate Fudge Brownie Mix	Since at least as early as 2005	Exhibit 66	More than \$4 million between 2005 and 2011	Exhibit I to the suppl. Hadley affidavit	

VIII. Third Party Snacks

[41] In addition to evidence pertaining to snacks manufactured by the Opponent’s subsidiary, the Opponent also produced evidence pertaining to third party snack products with labels and packaging that bear the term “0” via Mr. Hadley’s and Mr. Stephan’s affidavits.

[42] In this regard, Mr. Hadley sets out third party snacks that he was able to purchase in January and February 2012, and provides the results of A.C. Nielsen data queries pertaining to these snacks. Mr. Stephan provides the dates of first use pertaining to these third party snack products that the investigator was able to obtain by contacting a number of the companies at the end of January 2012. The evidence provided by Mr. Hadley and Mr. Stephan on these snacks may be summarized as follows:

	On the Label or Packaging	Date of First Use of “0” on Label or Packaging		Exhibit to the Hadley Affidavit
		A.C. Nielsen Data	Investigator Results	
CHRISTIE CRISPERS Salt & Vinegar Snacks	“0 TRANS FAT 0 GRAS TRANS”	Unable to confirm	“0 trans fat” first appeared on the label April 17, 2007	Exhibit 68
CHRISTIE TEDDY GRAHAM HONEY Snacks	“0 TRANS FAT 0 GRAS TRANS”	Unable to confirm	“0 trans fat” first appeared on the label April 17, 2007	Exhibit 69
DARE BRETON Garden Vegetable Snacks	“0g GRAS TRANS PAR PORTION DE 27g” Circle Design	Unable to confirm	Label with “0 trans fat” since late 2005 or early 2006	Exhibit 70
NEAL BROTHERS CHEESE PUFFS Snacks	“0g trans fat gras trans”	Unable to confirm	“0g trans fat” on label available since 2009	Exhibit 61
PEPPERIDGE FARM GOLDFISH ORIGINALS Snacks	“0 trans fat” “0 gras trans”	Unable to confirm	Current packaging introduced on July 2, 2009	Exhibit 72

IX. Third Party Dairy Products

[43] Finally, the Opponent also produced evidence pertaining to the use of the term “0” on the labels and packaging of third party dairy products to describe that the products contain zero fats via Mr. Hadley’s affidavit. In this regard, Mr. Hadley sets out third party dairy products that he was able to purchase in January 2012, and provides the results of A.C. Nielsen data queries

pertaining to these dairy products. The evidence provided by Mr. Hadley on these third party dairy products may be summarized as follows:

	On the Label or Packaging	Date of First Use of “0” on Label or Packaging – A.C. Nielsen data	Exhibit to the Hadley Affidavit
YOPLAIT 0% M.F./M.G. SOURCE Yogurts	“0% M.F./M.G.”	Since March 2002 and April 2003 (different formats)	Exhibits 73 and 74
DANONE SILHOUETTE 0+ Yogurts	“DANONE SILHOUETTE 0+% M.F./M.G.”	Since June 2000	Exhibit 75

Objections to the Opponent’s Evidence of Third Party Products

[44] The Applicant raised a number of issues with respect to the evidence of third party products introduced in the Hadley and Stephan affidavits. In particular, the Applicant submits that (i) all of the third party products purchased by Mr. Hadley and Mr. Stephan were made in January or February 2012, well after the relevant dates in the present proceeding; (ii) the evidence pertaining to snacks and dairy products is irrelevant in the present case as these products are too different from those at issue; (iii) the dates of first use of labels and packaging obtained by Mr. Stephan are provided to him from third parties, which is inadmissible hearsay evidence as it is unreliable and in any case, not probative; and (iv) the sales data set out in Mr. Hadley’s affidavit are provided to him by a third party, A.C. Nielsen, which is also inadmissible hearsay evidence as it is unreliable and not probative as well.

(i) The Dates of Purchase

[45] While both Mr. Hadley and Mr. Stephan attest to the purchase of various third party products well after the material dates, the evidence is purported to show more than simply the use of the terms “0” and “zero” by third parties at the time of the purchase. Instead, these purchases are purported to show, in conjunction with the results of the A.C. Nielsen data queries and the date of first use information obtained by the investigator, that a number of third party

products with the terms “0” and “zero” on their labels or packaging have been in the marketplace during the material time.

(ii) Snacks and Dairy Products

[46] While soft drinks, snacks and dairy products are all food items, the evidence is that the labels and packaging of different categories of food items convey different messages. Moreover, there is no evidence to suggest that yogurts, crackers, chips and brownies are considered to be in the same industry as non-alcoholic beverage products. In any case, aside from the snack items from PepsiCo Foods Canada, there is no information regarding the extent to which the third party snacks and dairy products bearing the above mentioned nutritional information were sold or advertised in Canada. In the end, as per my analysis below, it will not be necessary for me to rely on evidence pertaining to snacks and dairy products in the present case.

(iii) Information Obtained by Mr. Stephan regarding Third Party Products

[47] With respect to the Applicant’s hearsay objection, it is not entirely clear how, in the Applicant’s opinion, the Opponent could have acquired first-hand information regarding the sales figures, labels and packaging information, as well as advertising materials and expenditures, of its competitors’ products.

[48] In terms of the admissibility of the dates of first launch obtained by Mr. Stephan in the course of his investigation, I have reproduced in the tables above Mr. Stephan’s findings in each case. In his affidavit, with respect to each third party product that he purchased, Mr. Stephan sets out the name of the company, the phone number he used to contact the company, and the name of the person who gave him the information (first name only in most cases), most of whom are identified as being from the customer service department. Mr. Stephan also provides, in general terms, the question that he asked and the answers that he obtained.

[49] The Applicant submits that the information obtained by Mr. Stephan from these telephone inquiries is unreliable considering that the affiant did not make any attempt to verify or to corroborate the information he was told, or to confirm whether the person he was speaking to was in a position to give valid and reliable information. The Applicant also criticizes the fact that

Mr. Stephan did not attempt to obtain any evidence related to the extent or volumes of sales of the products identified in his affidavit, although I can see the Applicant raising another hearsay objection in that case.

[50] Citing *Advance Magazine Publishers Inc v Louver-Lite Limited*, 2012 TMOB 161, the Opponent submitted at the hearing that information obtained by investigators has been accepted in other opposition cases. In the cited case, Mr. Stephan bought several third party products and contacted 35 businesses with the term VOGUE in their names and confirmed that they remain active and do in fact carry on business under their names. Mr. Stephan also provided various directory listings for these businesses, including telephone directory listings, confirming the information he obtained.

[51] That is not the type of evidence presented by Mr. Stephan in the present case. The nature of the information sought after by the investigator in the case at hand goes beyond the simple confirmation of a business name found in a directory, which is presumably the type of information that any representative of a company can provide with ease. The same cannot be said with respect to the exact date of first use of a particular term on a label of a particular product manufactured or distributed by the company at some point in the past. I note that in at least two cases, in response to Mr. Stephan's request for the date when a specific beverage with the "zero" or "0" label was first sold, he was given the date when a product was introduced in Canada, not when the label with the term "zero" or "0" was first used [SELECTION Flavoured Sparkling Water and IRRESISTIBLES LIFE SMART Nutrient Enhanced Water].

[52] In any event, the only third party beverage products for which Mr. Stephan was able to obtain information on the first date when the term "zero" or the number "0" was used on the labels or packaging were GOOD4U Raspberry Green Tea and WORKX ENERGY Power Shot. In view of the limited number of beverage products, the unspecific nature of some of the responses he obtained to his questions, and the absence of any corroborating evidence, I consider the evidence put forth by Mr. Stephan in this regard to be of little assistance to the Opponent.

(iv) The A.C. Nielsen Data

[53] As for the admissibility and the probative value of the results of the A.C. Nielsen data queries in Mr. Hadley's affidavit, I note that in response to undertakings, the affiant provided a series of email communications between A.C. Nielsen and the Opponent regarding the type of information that the Opponent would require for these third party products, as well as a copy of the charts provided by A.C. Nielsen that formed the basis of the information provided by Mr. Hadley in his affidavit regarding recent sales figures of these products and the date when they were first sold in Canada using the term "0" or "zero". The charts include the UPC codes, the item descriptions, the introduction dates and the last 52-week sales figures ending December 2011 [see Exhibits A and B of the replies to undertakings from the Hadley cross-examination].

[54] In light of these documents, the Applicant submits that the Opponent provided double hearsay evidence and that in any event, the dates provided by A.C. Nielsen cannot be used to confirm the information that appeared on the labels or packaging of these products at any given time. In support, the Applicant relies on the Villegas affidavit.

[55] In her affidavit, Ms. Villegas discusses possible limitations to the A.C. Nielsen data which was introduced in the Hadley affidavit. Ms. Villegas explains that prior to joining the Applicant in 2011, she worked at A.C. Nielsen for nine years in different capacities including as an analyst, an account executive, and a business manager. As a result, Ms. Villegas states that she is familiar with the data that A.C. Nielsen typically collects.

[56] According to Ms. Villegas, every product sold in the retail world has a unique product code (UPC) that is normally provided by the manufacturer; it is used to track certain data about a particular product, such as the description or the name of the beverage, its size or volume and its packaging format.

[57] Ms. Villegas describes the role of A.C. Nielsen as follows. When a manufacturer assigns an unused UPC to a new product, it uploads certain information about that product to a database, which is in turn provided to retailers for use in their own internal inventory or stock ordering system, as well as for scanning products at check-outs or cash registers. This allows the retailers to track their own sales volumes. The information is then provided by retailers to A.C. Nielsen,

who compiles the data into categories and databases that cover different blocks of time, such as one, two or three year blocks. The data is then licensed to third parties, such as the Opponent and the Applicant, for their own use.

[58] Ms. Villegas states that there are several limitations to the information compiled by A.C. Nielsen. For example, information about nutritional content and product ingredients is not typically recorded in the product descriptions associated with the UPC, neither are individual label or packaging elements, *unless the information is part of the product description*.

Ms. Villegas adds that it is not uncommon for the description or the name of a product associated with a UPC to be amended or updated over time. For that reason, Ms. Villegas states that without a full set of UPC data of a product from its inception, the data associated with a UPC at any given point in time cannot be relied upon to draw conclusions about the history of the product.

[59] Ms. Villegas also asserts that without a full set of historical sales volume data associated with a UPC, it is not possible to determine accurately when a product was first launched in Canada. Ms. Villegas attributes this to certain manufacturers' practices of releasing products on a test basis or for a limited time only to gauge consumer interest, and then revising the products or making amendments to the labels or packaging while keeping the same UPC and the associated description.

[60] Ms. Villegas adds that A.C. Nielsen is not able to provide individual product information on items that are only sold by one retailer as an in-house brand, known as "Controlled Label", such as that of the "PRESIDENT'S CHOICE" brand sold by the Loblaws group. I note that this is consistent with Mr. Hadley's evidence to the effect that A.C. Nielsen was unable to confirm the information related to the first use of the labels and packaging for PRESIDENT'S CHOICE Cola, LIFE Vitaminized Water, SELECTION Flavoured Sparkling Water, as well as IRRESISTIBLES LIFE SMART Nutrient Enhanced Water.

[61] Ms. Villegas also sets out a number of observations regarding the evidence of third party beverages provided by Mr. Hadley, after having reviewed the data provided by A.C. Nielsen to the Opponent together with the transcript of Mr. Hadley's cross-examination. Notably, Ms. Villegas states that the data cannot be used to confirm the specific word or graphic elements that are featured on a label or packaging at any given time, *unless it forms part of the product*

description. Moreover, the product launch dates put forth in Mr. Hadley's affidavit were provided manually by an unknown employee at A.C. Nielsen, without a full set of historical data to allow for verification.

[62] During cross-examination, Ms. Villegas explained that she could not confirm nor refute the launch dates provided by A.C. Nielsen to the Opponent because she did not have access to this third party data herself [Qs71-72]. Ms. Villegas cautioned that mistakes could be made and that data could be misinterpreted at A.C. Nielsen [Q76]. Even so, with respect to particular third party information provided in Mr. Hadley's affidavit, Ms. Villegas did not point to any errors from the particular set of A.C. Nielsen data that was provided. When asked whether she would have access to the sales data and the date of first launch for NESTEA ZERO, a third party beverage referenced by Mr. Hadley in his affidavit that was manufactured by one of the Applicant's subsidiaries in Canada, Ms. Villegas confirmed that she could have access but that she did not [Qs80-86].

[63] In its written argument, the Opponent submits that the Applicant's criticisms of the Hadley affidavit are unfounded considering that Mr. Hadley's affidavit only provides the dates of first use of third party products whose A.C. Nielsen product descriptions include the term "zero" or "0". In cases where the product description does not include the term "zero" or "0", the Opponent explains that Mr. Hadley simply states that A.C. Nielsen was not able to confirm when the product was first sold with "0" or "zero" on its label in Canada. Having reviewed the charts attached as Exhibit B of the replies to undertakings from the Hadley cross-examination, I note the following item descriptions that include the term "zero": "NESTEA ZERO LEMON CAN 20X341 ML", "NESTEA ZERO ICED GREEN TEA CAN 12X341ML", "NESTEA ZERO GREEN TEA CAN 12X341ML", "STEAZ ICED TEAZ ZERO CAL CITRUS CAN 473ML", "STEAZ ICED TEAZ ZERO CAL PEACH MANGO CAN 473ML", "STEAZ ICED TEAZ ZERO CAL RASPBERRY CAN 473ML", "MONSTER ENERGY ABSOLUTELY ZERO ENERGY DRINK CAN 473ML", AND "PRESIDENTS CHOICE COLA ZERO CALORIES CAN 12X355ML".

[64] Having reviewed Mr. Hadley's affidavit including the statement that he is a Marketing Director who has access to company personnel, the transcript of his cross-examination, the email

request that was made to A.C. Nielsen by the Opponent's employees as well as the data provided by the latter in response, which ultimately formed the basis of the figures provided in Mr. Hadley's affidavit, and bearing in mind Ms. Villegas' explanation of the information attached to UPC codes and the collection of the data at A.C. Nielsen, I am not prepared to set aside all of the third party product information in Mr. Hadley's affidavit for I see no reason to question the reliability of the particular dates of first launch or the particular sales figures provided by A.C. Nielsen for the last 52 weeks of these products.

[65] While I am mindful that there are limitations associated with the data, I note that Mr. Hadley's affidavit only provides dates of first launch for third party beverages whose A.C. Nielsen's product descriptions include the term "zero". As for the remaining third party beverages, Mr. Hadley simply states that A.C. Nielsen was unable to confirm when they were first sold in Canada with "0" or "zero" on its label or packaging.

[66] In any case, I note that the only third party beverages on the market prior to the latest material date in the present proceeding, that is March 14, 2011, for which the A.C. Nielsen product descriptions include the term "zero", were the NESTEA ZERO beverages and PRESIDENT CHOICE'S Cola.

[67] With respect to NESTEA ZERO Iced Tea and Green Tea, they are manufactured by the Applicant's Canadian subsidiary under license from Produits Nestlé S.A. As mentioned above, this information was corroborated by Mr. Samoszewski during cross-examination [Samoszewski cross-examination, Q94] and the Applicant indicated at the hearing that it accepts the date of first use provided by A.C. Nielsen in the Hadley affidavit. However, as noted by the Applicant at the hearing, there is limited information regarding the sales of these beverages during the material time.

[68] As for the PRESIDENT CHOICE'S Cola, since no sales figures are available which, according to Ms. Villegas, is the result of the product being a "Controlled Label", I am unable to determine the extent to which PRESIDENT CHOICE'S Cola with "0" on its label or packaging, was made available and sold in Canada prior to the material date.

[69] In the end, in view of the limitations discussed above, I consider a large portion of the evidence regarding third party beverages to be of little assistance to the Opponent in the present proceeding. I will therefore focus on the following aspects of the Opponent's evidence in the analysis below: the Opponent's own use of the terms "zero" and/or 0" on its TROPICANA TWISTER ZERO, DIET 7UP, DIET PEPSI and PEPSI MAX beverages, use by its partnership with Unilever on LIPTON Diet beverages, use of NESTEA ZERO beverages by Produits Nestlé S.A. and of PRESIDENT CHOICE's Cola to a smaller extent given the lack of sales information, as well as the regulatory framework regarding claims that can be made pertaining to the energy value or the nutrient content of certain food and beverage products in Canada.

The Applicant's Evidence




Use of the Mark by the Applicant

[70] In his affidavit, Mr. Samoszewski states that the Applicant, a subsidiary of The Coca-Cola Company, is responsible for the development and marketing of numerous brands of beverages to consumers in Canada, as well as for the protection of trade-marks related to these brands, including "the ZERO brand". Mr. Samoszewski further states that the Applicant's authorized affiliate, Coca-Cola Refreshments Company Canada (previously known as Coca-Cola Bottling Company) has and continues to, under license, bottle, sell and distribute beverage products bearing the Mark across Canada.

[71] According to Mr. Samoszewski, the Applicant launched soft drinks bearing the Mark in Canada at least as early as October 2004 with the introduction of Diet Sprite ZERO. It was later renamed Sprite ZERO in 2006 and continues to be sold under that name in every province of Canada, with significant sales figures. Mr. Samoszewski also discusses the Applicant's other soft drink products bearing the Mark that have been introduced thereafter, with a combined total of "well in excess of \$150 million" in sales in Canada since launch of "the ZERO brand" in 2004.

[72] I note that in his affidavit, Mr. Samoszewski consistently describes one of the Applicant's products as "Coke ZERO" even though the bulk of the exhibits referenced by the affiant in this regard show a product bearing the label "Coca-Cola ZERO". Likewise, upon review of the sample advertisements attached as Exhibits MS-8 and MS-31 to the Samoszewski affidavit, said

to have been shown on television and in cinemas across Canada, I note that a product bearing the label “Coca-Cola ZERO” is identified as “Coke ZERO” in the ad. Thus, I am satisfied that references to “Coke ZERO” in Mr. Samoszewski’s affidavit refer to the Applicant’s product labeled as “Coca-Cola ZERO”. Evidence of “the ZERO brand” may be summarized as follows:

	Use on Labels and Packaging	Date of First Use	Sample Labels or Artwork of Labels in the Samoszewski Affidavit	Sales Figures
Diet Sprite ZERO and Sprite ZERO		October 2004	Exhibit MS-1 Exhibit MS-3 Exhibit MS-4	In excess of \$50 million from 2011 to April 2013; More than 20 million cases sold, representing over 100 million litres
Coca-Cola ZERO (also known as Coke ZERO)		2005	Exhibit MS-1	In excess of \$100 million since 2005; More than 400 million litres in cans, bottles or “in concentrated syrup form”
Powerade ZERO		Second quarter of 2009	Exhibit MS-1 Exhibit MS-5	In excess of \$20 million from 2011 to April 2013; More than 5 million litres.
Fanta ZERO	N/A	“Recently” in Canada	N/A	Sold in freestyle fountain beverage machines.

[73] Mr. Samoszewski states that soft drinks bearing the Mark have been advertised and promoted in Canada in numerous ways since at least as early as 2004. According to the affiant, the advertising expenditures to promote the launch of Diet Sprite ZERO in Canada was in excess of half a million dollars for each of 2004 and 2005, with a combined total of in excess of \$10 million dollars on various products bearing the Mark in Canada since that time.

Mr. Samoszewski further states that there has been “spill over” advertising from the United States since 2004 through television ads, as well as ads in magazines and newspapers circulated in Canada, however no corroborating evidence or additional details are provided in that regard.

[74] In terms of advertising, promotion and marketing of beverage products bearing the Mark in Canada, Mr. Samoszewski highlights the following:

- Television advertising for “the ZERO brand” aired more than 59,000 times and received more than 729 million “gross impressions”, or individual viewings, between 2005 and 2010 in Canada [see Exhibit MS-8 for Coca-Cola ZERO broadcast in Canada since at least as early as 2005 and Exhibit MS-6 for the total number of occasions on which the ads for Coca-Cola ZERO were shown on television and the total number of individual viewings received for each ad from 2005 to 2010 across the four main geographic regions of Canada];
- Print ads promoting “the ZERO brand” since at least as early as 2008 in magazines and newspapers distributed in Canada including *Elle Magazine* and *Toronto Star* [see sample ads from 2008 and 2011 in Exhibit MS-9 for Powerade ZERO and Exhibit MS-10 for Coca-Cola ZERO];
- Transit and billboard ads promoting “the ZERO brand” since at least as early as May 2005 on buses, in and around major public transit stations, along major roads and highways of high density population or people traffic areas in Canada [see media plan for transit and billboard ads for Diet Sprite ZERO during summer of 2005 in major cities in Canada in Exhibit MS-11 and sample transit ads for Coca-Cola ZERO and Powerade ZERO from at least as early as 2009 in Exhibits MS-12 and MS-13];
- Ads on the Applicant’s trucks promoting “the ZERO brand” since at least as early as 2009 across Canada [see Exhibits MS-14 to 16 for photos of sample ads for Coca-Cola

ZERO and Powerade ZERO and ads schedule for the summer of 2005 Coca-Cola ZERO campaign];

- “ZERO brand” sport event sponsorships in Canada since at least as early as 2006 including hockey teams such as the Montreal Canadiens and the Toronto Maple Leafs, as well as the Olympics, notably the 2010 Winter Olympic Games held in Vancouver [see sample advertising materials of Coca-Cola ZERO in Exhibits MS-17 to MS-19];
- Point of purchase advertising of “the ZERO brand” such as shelf talkers, endcap displays, signage for restaurants, cigarette shelve covers in convenience stores, across Canada [see sample materials for Coca-Cola ZERO in Exhibits MS-20 and MS-21];
- Promotional items, experiential promotion, direct mail and coupons promoting “the ZERO brand” across Canada [see Exhibit MS-22 for sample materials for Coca-Cola ZERO relating to experiential promotion, Exhibit MS-23 for sample coupons distributed in 2011 for Powerade ZERO products];
- Pop-ups and banner advertisements for Coca-Cola ZERO on the Internet since as at least as early as 2009, dedicated social media pages for Coca-Cola ZERO [Exhibit MS-24], dedicated Coca-Cola ZERO website at *www.cocacolazero.com* accessible to Canadians [Exhibit MS-25], interactive online flash dancing game “Dance Hero” featuring characters from the Coca-Cola ZERO television commercials [Exhibit MS-26], downloadable wallpapers bearing Coca-Cola ZERO available to Canadians [Exhibit MS-27], and sweepstake and contests;
- Coca-Cola ZERO merchandise such as jackets, hats, t-shirts and duffel bags have been sold or distributed in Canada since at least as early as 2005 [Exhibit MS-28]; and
- Commercial partners selling Applicant’s products exclusively with in-store advertising or promotion of products including McDonalds’ restaurants throughout Canada since at least as early as 2005, of Coca-Cola ZERO products with Air Canada since at least as early as 2008 [Exhibit MS-29], and Pizza Pizza locations across Canada since at least as early as 2009, Cineplex theatres across Canada [sample campaign dates for Coca-Cola ZERO products in summer 2008 at Exhibit MS-30 and sample Coca-Cola ZERO and Sprite ZERO ads at Exhibit MS-31].

I note that the one consistent message that is conveyed in each of these advertisements is that the beverages contain “zero calories”.

[75] During cross-examination, Mr. Samoszewski confirmed that the Mark is always used on a beverage product with a “master brand” such as COCA-COLA, SPRITE and POWERADE; he further stated that the Mark had only been used on beverage products with zero calories up to that point [Qs 23 to 25]. Thus, there is no evidence that the Mark ever appears on its own on any of the Applicant’s beverage products or the related advertising, marketing and promotional services.

Registered or Applied for Marks Owned by the Applicant

[76] The Noonan affidavit introduces the results of a search of the *Canadian Trade-marks Database* for any active trade-mark applications or registrations that contain the term “zero” for use in association with non-alcoholic beverages owned by the Applicant. Attached as Exhibit MN-1 is a print-out of the particulars of 15 such trade-marks, consisting of the applied for Mark and 14 registered trade-marks. Among the registered trade-marks, I note that besides registration No. TMA816,748 for BELOW ZERO, 11 of the remaining 13 trade-marks contain one of the “master brands”: COCA-COLA, COKE, SPRITE and POWERADE. Suffice it to say that the Mark makes no reference to any of the Applicant’s “master brands”.

[77] As for the two ZERO & Ribbon Design marks of registration nos. TMA748,895 and TMA748,579, while section 19 of the Act gives the owner of a registration the exclusive right to the use of a trade-mark with respect to the goods and services covered by the registration, it does not necessarily follow that the registered owner is given an automatic right to obtain any further registrations no matter how closely related they may be to earlier registrations [see *Coronet-Werke Heinrich Schlerf GmbH v Produits Ménagers Coronet Inc* (1984), 4 CPR (3d) 108 (TMOB) at 115].

Section 12(1)(b) Grounds

[78] The Opponent pleads that contrary to section 12(1)(b) of the Act, the Mark is not registrable because it was and is, whether depicted, written or sounded, either clearly descriptive

or deceptively misdescriptive in the English language of the character or quality of the goods and services in association with which it is alleged to be used, in that:

- I. It clearly describes carbonated soft drinks having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks with zero calories or zero sugar, and the distribution and sale of carbonated soft drinks having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks with zero calories or zero sugar, or
- II. It deceptively misdescribes carbonated soft drinks not having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks which do not have zero calories or zero sugar, and the distribution and sale of carbonated soft drinks not having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks which do not have zero calories or zero sugar.

[79] The material date for assessing a section 12(1)(b) ground of opposition is the filing date of the application, that is December 15, 2008 in this case [*Shell Canada Limited v PT Sari Incofood Corporation* (2005), 41 CPR (4th) 250 (FC); *Fiesta Barbeques Limited v General Housewares Corporation* (2003), 28 CPR (4th) 60 (FC)].

Is the Mark Clearly Descriptive of the Applied for Goods and Services?

[80] The purpose of the prohibition in section 12(1)(b) of the Act is to prevent any single trader from appropriating words within the range of language that would ordinarily be used by traders to describe particular goods or services, thereby placing legitimate competitors at a disadvantage [*General Motors Corp v Bellows* (1949), 10 CPR 101 (SCC) at para 112-113].

[81] The analysis under section 12(1)(b) of the Act has been summarized as follows in *Engineers Canada/ Ingénieurs Canada v Burtoni*, 2014 TMOB 174 at para 14 to 16:

When conducting an analysis under section 12(1)(b) of the Act, a trade-mark must be considered as a matter of first impression, in its entirety and not dissected into its constituent parts [*Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD) at 27-8; *Atlantic Promotions Inc v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD) at 186].

The word “character” in section 12(1)(b) has been held to mean a feature, trait or characteristic of the product and the word “clearly” has been held to mean “easy to understand, self-evident or plain” [*Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34].

The test to be applied when assessing whether a trade-mark violates section 12(1)(b) of the Act has been summarized by the Federal Court of Appeal in *Ontario Teachers’ Pension Plan Board v Canada* (2012), 99 CPR (4th) 213 (FCA) at para 29:

It is trite law that the proper test for a determination of whether a trade-mark is clearly descriptive is one of first impression in the mind of a normal or reasonable person. [...] One should not arrive at a determination of the issue by critically analyzing the words of the trade-mark, but rather by attempting to ascertain the immediate impression created by the trade-mark in association with the wares or services with which it is used or proposed to be used. In other words, the trade-mark must not be considered in isolation, but rather in its full context in conjunction with the wares and services.

[82] As noted in *Ottawa Athletic Club Inc (Ottawa Athletic Club) v Athletic Club Group Inc*, 2014 FC 672, section 12(1)(b) analysis “is not an abstract exercise of determining whether the services offered in connection with a trade-mark match the dictionary definitions of the component terms encompassed within the mark, but a contextual inquiry based on the immediate impression of the potential users of the service” [para 188], although dictionaries or other reference works might be used as guides to help determine possible meanings of a trade-mark [see *ITV Technologies Inc v WIC Television* 2013 FC 1056 citing *Brûlerie Des Monts Inc v 3002462 Canada Inc* (1997), 132 FTR 150 and *Bagagerie SA v Bagagerie Willy Ltéd* (1992), 97 DLR (4th) 684]. Moreover, one must apply common sense in making the determination [see *Neptune SA v Canada (Attorney General)* 2003 FCT 715, para 11].

Parties’ Positions

[83] The Opponent submits that the Mark has only one “easy to understand, sufficient or plain” meaning when used in association with beverages, that is “zero calories or zero sugar or zero calories and zero sugar”. In this regard, the Opponent contends that the word “zero” is commonly used in the English language to mean “no”, “not any”, or “none”, as evidenced by the definitions found in the *Canadian Oxford Dictionary* attached as Exhibit 2 to the Hadley affidavit. The Opponent further contends that the word “zero”, whether in its written form or numerical form, is widely used in the food and beverage industry “to identify that a product does

not contain a specific nutrient or energy” as evidenced by the Hadley affidavit. The Opponent points to the Samoszewski affidavit as evidence that the Mark was used in association with beverages that contain zero calories, and advertised as such.

[84] According to the Opponent, “it is common for consumers to be interested in the caloric content in beverages and to associate the numerical values that appear on the labels of beverages with its caloric content”. As such, the Opponent submits that the first and immediate impression created in the mind of an average consumer when seeing the Mark on beverage products would be that “the product contains zero calories or zero sugar or zero calories and zero sugar”.

[85] The Applicant submits that the Mark is not clearly descriptive of the character or the quality of the applied for goods and services as the term “zero” “is capable of conveying many different meanings to the average consumer” including the idea that the carbonated soft drinks “contain no alcohol, sodium, fat, carbohydrates, animal products, caffeine, preservatives, sugar or colouring or carry any number of other nutritional or related connotations”. The Applicant further submits that the term “zero” could “refer to the environmental impact or carbon footprint of the products or speak to features of the packaging” and that it “could also suggest the impact of the associated beverages on consumers in terms of after-taste, acidity levels or stimulation caused by elements such as caffeine or sugar”.

[86] In terms of the specific reference in “the ZERO brand” advertising to “zero calories”, the Applicant points out that it is necessary because the Mark is not in itself “inherently descriptive of this feature of the product and would not necessarily be understood by the average consumer of the product without this additional information”.

[87] As such, the Applicant contends that on first impression, “a normal and reasonable consumer may be unclear or uncertain as to the significance of the term ZERO in relation to non-alcoholic beverages or carbonated soft drinks, as it could carry any number of different connotations and is likely to convey a different impression to different consumers”. The Applicant further submits that the Mark is not clearly descriptive of the applied for services as “it is arbitrary and lacking any descriptive connotation”.

Analysis

[88] Having reviewed the evidence and the parties' submissions, I find it reasonable to conclude, on a balance of probabilities, that the Mark was not clearly descriptive of the character or quality of the applied for goods and services within the meaning of section 12(1)(b) of the Act at the material date.

[89] The Opponent's evidence shows that the term "zero" and its numerical equivalence "0" are used as part of claims that can be found on certain beverage and food products to convey the message that a particular nutrient content or energy value is absent. Even though there is some evidence of the term "zero" being used on its own on certain beverage products prior to the material date (i.e. TROPICANA TWISTER ZERO with sales figures in 2005 and 2006, as well as NESTEA ZERO introduced in January 2006 with no sales information), the vast majority of the Opponent's evidence does not show common use of the term "zero" or of its numerical equivalence "0" alone on beverage products that contain zero calorie or zero sugar or zero calorie and zero sugar as of the material date. Thus, I am unable to conclude that as of December 15, 2008, the ordinary consumer who sees the term "zero" on a beverage product, without the addition of a term that speaks to the nutrient content or energy value of the beverage, would immediately understand that the product contains zero calorie or zero sugar or zero calorie and zero sugar.

[90] I am of the view that the use of the Mark in association with the applied for goods would at least require some consideration or reflection on the part of the average consumer to understand what is absent from or pertaining to the product, be it an ingredient, a flavor, the caloric content, or an element in the manufacturing or the distribution process of the product. Moreover, the evidence does not establish any clear connection between the Mark and the character or the quality of the advertising, promotion and marketing services related thereto.

[91] In the end, I agree with the Applicant that the term "zero" alone is not self-evident, plain, or manifest, of an intrinsic character or quality of the applied for goods or services on a matter of first impression in the mind of a normal or reasonable person as the term could carry different meanings and connotations, when viewed in association with carbonated soft drinks, syrups and

concentrates used in the preparation of carbonated soft drinks, as well as advertising, promotional and marketing services related thereto.

[92] As noted by the Federal Court in *College of Dietitians of Alberta v 3393291 Canada Inc* 2015 FC 449; 131 CPR (4th) 197, “in order to violate paragraph 12(1)(b), the mark must be clearly descriptive, not somewhat descriptive or suggestive, [...] as a matter of first impression and imperfect recollection, without resorting to mental gymnastics”. In the present case, the ordinary consumer of the applied for goods would be required to exercise some level of mental gymnastics to determine the message behind the Mark as it is not immediately plain what the associated goods or services would entail [*GWG Ltd v Canada (Registrar of Trade Marks)* 55 CPR (2d) 1].

[93] In view of the foregoing, I dismiss the ground of opposition based on the allegation that the Mark is whether depicted, written or sounded, clearly descriptive in the English language of the character or quality of the goods and services in association with which it is alleged to be used under section 12(1)(b) of the Act.

Is the Mark Deceptively Misdescriptive of the Applied for Goods and Services?

[94] In the present case, the Opponent has not provided any evidence, nor has it made any submissions, to substantiate its allegation that the Mark is misdescriptive of the applied for goods and services in that it ascribes a character or a quality that they do not possess. As a result, I dismiss the ground of opposition based on the allegation that the Mark is deceptively misdescriptive in the English language of the character or quality of the goods and services in association with which it is alleged to be used under section 12(1)(b) of the Act.

Is the Mark Distinctive of the Applicant?

[95] In *Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FC 291 (FCTD), Justice Barnes explains that “[w]hether a mark is distinctive is a question of fact which is determined by reference to the message it conveys to ordinary consumers” [para 5]. Moreover, in affirming the lower court’s decision, the Federal Court of Appeal states that “[d]istinctiveness is to be determined from the point of view of an everyday user of the wares in question and the trade-

mark must be considered in its entirety and as a matter of first impression” [*Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FCA 313 para 6-7]. Finally, in *Philip Morris Products SA v Imperial Tobacco Canada Limited*, 2014 FC 1237, Justice Bédard states that “the key consideration [...] is whether the term is capable of identifying the source of the wares in light of the overall product and market” [para 81].

[96] In the present case, the Opponent’s non-distinctiveness ground is two-pronged. The Opponent pleads that the Mark is not distinctive under section 2 of the Act in that (i) the Mark has been widely used by the Opponent and others in the food and beverage industries in Canada in association with goods and services identical or similar to those of the Applicant, and (ii) the Mark is, whether depicted, written or sounded, clearly descriptive in the English language of the character or quality of the applied for goods and services, in that “it clearly describes carbonated soft drinks having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks with zero calories or zero sugar, and the distribution and sale of carbonated soft drinks having zero calories or zero sugar, and syrups and concentrates used to prepare carbonated soft drinks with zero calories or zero sugar”.

[97] I note that the Opponent also submits in its written argument that the Mark is not distinctive of the Applicant’s goods and services because “the Applicant has not provided any evidence to show use of [the Mark] alone on any product or service”. While this allegation does not raise a separate non-distinctiveness ground of opposition, I will discuss this issue in determining whether the Mark has acquired distinctiveness through use.

[98] The material date for assessing distinctiveness is generally accepted as being the date of filing of the opposition, which is March 14, 2011 in this case [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)]. There is an initial evidential burden on the Opponent to establish the facts relied upon in support of its non-distinctiveness ground. Once the burden has been met, there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its goods and services from those of others. [See *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 298; *Muffin Houses Incorporated v The Muffin House Bakery Ltd*, (1985) 4 CPR (3d) 272 (TMOB); *Imperial Tobacco Canada Limited v Philip Morris Products*

SA, 2013 TMOB 175 (TMOB) para 24, aff'd 2014 FC 1237 para 15-16 and 68; *JTI-Macdonald TM Corp v Imperial Tobacco Products Limited*, 2013 FC 608 para 55].

Second Prong of the Non-Distinctiveness Ground

[99] With respect to the second prong of the non-distinctiveness ground of opposition, given that I found that the Mark was not clearly descriptive or deceptively misdescriptive of the applied for goods and services, I am dismissing this prong of the ground of opposition since I do not find that the difference in material dates is sufficient to change anything.

First Prong of the Non-Distinctiveness Ground

Parties' Positions

[100] The first prong of the non-distinctiveness ground of opposition is based on an allegation that the Mark has been widely used by the Opponent and others in the food and beverages industries in Canada in association with goods and services identical or similar to those of the Applicant.

[101] In its written argument, the Opponent submits that in view of the widespread use of “zero” and/or “0” in the food and beverages industries, “consumers would not associate ‘zero’ or ‘0’ with any single company” and that “consumers understand that ‘zero’ or ‘0’ describes a beverage product that contains zero calories or zero sugar or zero calories and zero sugar”, thus the Opponent contends that “‘zero’ is not distinctive of the Applicant’s beverages or related services”. The Opponent relies on the above mentioned evidence to show that the terms “zero” and “0” have been used on the labels or packaging of food and beverages of others, including those of the Opponent, to describe products that do not contain calories, sugar and/or fat.

[102] In its written argument, the Applicant systematically rejects the vast majority of evidence pertaining to third party products put forth by the Opponent by raising various deficiencies such as relevance, hearsay objections and issues with the material date, which I have previously addressed. The Applicant further submits that the bulk of the Opponent’s evidence regarding beverage products available prior to the material date primarily shows use of the term “zero” or the number “0” as part of a caloric or nutritional expression, rather than on its own. For that

reason, the Applicant contends that the Opponent has failed to establish that the term “zero” alone had been used by others with identical or similar goods and services to such an extent and in such a manner that it has become known sufficiently to negate the distinctiveness of the Mark.

[103] The Applicant also submits that the Opponent did not provide any evidence to show that the use of the number “0” instead of the word “zero” would somehow impact or negate the distinctiveness of the Mark, which would have required “direct evidence by [the Opponent] as to the state of mind of Canadian consumers regarding their impression of [the Opponent’s] use of the number ‘0’ on soft drinks and its effect on the distinctiveness of [the Applicant’s] use of [the Mark]”.

[104] Finally, the Applicant points to its significant sales figures and advertising expenditures pertaining to its “ZERO soft drinks” as evidence that the Mark had acquired a substantial degree of goodwill and had become highly distinctive across Canada prior to the material date.

Analysis

[105] This prong of the non-distinctiveness ground is based on the premise that the term “zero” cannot function as a source identifier for the Applicant’s goods and services because consumers associate the term “zero” and its numeral equivalence “0” with beverage products that contain zero calories or zero sugar or zero calories and zero sugar, in view of the widespread usage by others in the market with the same or similar goods and services in such a manner.

[106] As noted above, there is evidence of the Opponent’s own extensive use of the terms “zero” and “0” as part of its nutritional or caloric content information on its non-alcoholic beverage products including carbonated soft drinks, as well as on the advertising, promotional and marketing services related thereto, prior to the material date. In this regard, Mr. Hadley has put forth significant sales as well as sample packaging and advertising information pertaining to DIET 7UP, PEPSI DIET, PEPSI MAX, and LIPTON Diet beverages in Canada, by itself and its partnership with Unilever between 2007 and 2011. In this regard, they all have advertising, labels or packaging with similar messages regarding the caloric content of the product such as “zero calories”, “zero calorie”, “zéro calorie”, “0 calories”, “0 calorie” and “0 cal”.

[107] This evidence is consistent with the Opponent's evidence regarding use of the term "zero" or "0" on the labels or packaging of third party products. In this regard, we have limited sales information for NESTEA ZERO and no sales information for PRESIDENT'S CHOICE Cola prior to the material date. Even so, the labels and packaging of these products also have messages regarding the caloric content in the form of "0 calories" and "0 calorie".

[108] With respect to evidence regarding the use of the number "0" instead of the word "zero", the Opponent has provided ample evidence showing that the word "zero" has been used interchangeably with the number "0" in the context of caloric or nutritional information shown on advertising, labels or packaging of various beverage products for an extensive period of time in the marketplace. Both formats appear to comply with the requirements set out in the *Food and Drug Regulations*. Looking at the Opponent's beverages and advertising materials, messages such as "zero calorie" and "0 calorie" have been used interchangeably in different versions of DIET 7UP, DIET PEPSI, PEPSI MAX and LIPTON Diet products throughout the years. When I consider the substantial sales figures, the period of time during which these products were marketed and sold across Canada, and applying common sense, I am satisfied that the Canadian consumer is familiar with beverage products bearing labels or packaging with messages such as "zero calorie" and/or "0 calorie" that are advertised as such, and that they would understand that the word "zero" and the number "0" are used interchangeably in that context.

[109] I agree with the Applicant that the evidence predominantly shows the terms "zero" and "0" used as a description of the caloric or nutritional content of the product. In other words, the evidence shows extensive use of expressions such as "zero calorie(s)", "zéro calorie", "0 calorie(s)" and "0 cal" on the labels or packaging of various beverage products, as well as on advertising, promotional and marketing services related thereto, in Canada prior to the material date. It does not show wide adoption of the word "zero" or the number "0" by itself on labels or packaging of the Opponent's or of third parties' beverage products in the Canadian marketplace.

[110] Even so, what the Opponent's evidence shows is that when the term "zero" appears on the labels or packaging of beverage products in Canada, as well as on advertising, promotional and marketing services related thereto, in its written form or its numerical equivalence, it is used to convey the message that a particular component is absent from the product. Such evidence is

consistent with the common dictionary meaning of the term “zero” and the requirements set out in the *Food and Drug Regulations*.

[111] As such, I find that it can reasonably be concluded that facts alleged in support of the first prong of the Opponent’s non-distinctiveness ground of opposition exist. Accordingly, I find that the Opponent has met its initial evidential burden in this case.

[112] Thus, the legal onus is on the Applicant to establish, on a balance of probabilities, that the Mark was distinctive as of the material date. In other words, the Applicant would have to show that as of March 14, 2011, as a matter of first impression, from the point of view of the everyday consumer of the applied for goods and services, the term “zero” would be perceived as a source identifier in light of the overall product and market which includes significant use of the term in the context of expressions such as “zero calorie(s)”, “zéro calorie”, “0 calorie(s)” and “0 cal” on the labels or packaging, and advertisements, of various non-alcoholic beverage products by others in Canada, including carbonated soft drinks. In the present case, I am not satisfied that the Applicant has done so.

[113] In this regard, although I did not find the term “zero” on its own to be *clearly* descriptive of the applied for goods and services, it is nevertheless a term, whether in its written form or its numerical form, that is used to describe certain characteristics of identical or similar type of beverage products in the market, as evidenced by the excerpts of the *Food and Drug Regulations*, as well as the sample labels, packaging and advertising of TROPICANA TWISTER ZERO, DIET 7UP, PEPSI DIET, PEPSI MAX, and of LIPTON Diet throughout the years. When the evidence is viewed in its entirety, I am unable to conclude that the Mark conveys a message that is separate and different from the caloric information that is commonly provided to the consumer on the same or similar goods, or on the advertising, promotional and marketing services related thereto.

[114] The Applicant’s own evidence, introduced via Mr. Samoszewski’s affidavit, shows that its advertising materials, such as the one shown below, put the emphasis on the fact that its “ZERO brand” carbonated soft drinks contain zero calories; the same message that appears on the Opponent’s as well as third party’s beverage products that bear labels or packaging with the

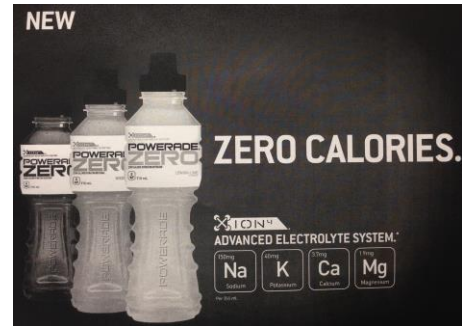
expressions “zero calorie(s)”, “zéro calorie”, “0 calorie(s)” and “0 cal”. As such, the advertisements may reinforce the idea for some consumers that “zero” is a description of the caloric content of the product rather than as a source identifier.



Sample advertisement from Air Canada’s in-flight magazine attached as Exhibit MS-29



Screenshot from sample television ad attached as Exhibit MS-8 identified as “Coke Zero – Brain presentation quality.mpg”



Sample advertisement placed on trucks attached as Exhibit MS-15

[115] As the Applicant had itself noted in its written argument with respect to the section 12(1)(b) ground, while the term “zero” alone may be capable of conveying different meanings to the average consumer in the context of a non-alcoholic beverage or carbonated soft drink, they all convey the message that an element, a component or an ingredient that can be commonly found in similar goods is absent or withheld from a particular beverage product. Thus, when the term “zero” is used in association with a non-alcoholic beverage or carbonated soft drink, and the advertising, promotional and marketing services related thereto, the average consumer would perceive the term as a qualifier that describes a particular aspect of the product, not as a source identifier.

[116] Even though Mr. Samoszewski’s affidavit shows substantial sales and promotion of soft drinks in Canada in association with the Mark prior to the material date, the Mark always appears in association with another trade-mark, or a “master brand”, that is shown in a significantly more prominent fashion, be it SPRITE, COCA-COLA or POWERADE [see *Leon’s Furniture Ltd v Bad Boy Furniture Warehouse Ltd* (2010), 87 CPR (4th) 356 (TMOB) and *Simmons IP Inc v Park Avenue Furniture Corp* (1996), 74 CPR (3d) 404 (TMOB)]. As the

Opponent has noted, none of the exhibits show use of the Mark without another more prominent trade-mark.

[117] In the end, considering that the Applicant has not provided any other evidence to enable me to conclude that the Mark would be recognized by the average consumer as a source identifier, rather than as a qualifier of some sort, within the context of the Applicant's goods and services, while I am satisfied that the Applicant has shown significant use and promotion of COCA-COLA ZERO, and to a smaller extent SPRITE ZERO and POWERADE ZERO, I am unable to conclude that the Mark on its own had become distinctive in Canada through use as no evidence of use or promotion of the Mark without the "master brands" was provided.

[118] In view of the foregoing, I find that the Applicant has failed to establish, on a balance of probabilities, that the Mark was distinctive within the meaning of section 2 of the Act as of the material date. Accordingly, this ground of opposition is successful.

Does the Application Conform to the Requirements of Section 30 of the Act?

[119] The Opponent alleges that the application does not conform to the requirements of section 30 of the Act, namely that:

- the application does not comply with section 30(a) of the Act in that the applied for services are not real services provided to the public since they simply make the public aware of the Applicant's own products;
- the application does not comply with section 30(b) of the Act since the Applicant had not used the Mark in Canada in association with each of the applied for goods and services as of the alleged date of first use; and
- the application does not comply with section 30(i) of the Act since the Applicant could not have been satisfied that it was entitled to use the Mark in Canada with the applied for goods and services because the Applicant knew, or ought to have known, that the Mark was and is:

- whether depicted, written or sounded, clearly descriptive in the English language of the character or quality of the applied for goods and services;
- not distinctive of the Applicant in that the Mark has been widely used by the Opponent and other marketers, traders, retailers, and manufacturers in the food and beverage fields, in Canada in association with the same or similar goods and services; and
- not distinctive of the Applicant in that the Mark is, whether depicted, written or sounded, clearly descriptive in the English language of the character or quality of the applied for goods and services.

[120] The material date for considering the circumstances with respect to the grounds of opposition based upon non-compliance with section 30 is the filing date of the application, namely December 15, 2008 in this case [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

Section 30(a) Ground

[121] With respect to the section 30(a) ground, the Opponent submits that for an activity to be considered a service, there must be a benefit to some members of the public. Moreover, self-serving activities such as advertising and promotional services simply make the public aware of the Applicant's products, thus do not conform to the requirements of section 30(a) of the Act.

[122] In response, the Applicant submits that the applied for services were accepted by examiners and that "there is nothing to suggest, in the evidence of record or otherwise, that they are not described in ordinary commercial terms". The Applicant also stated at the hearing that the Opponent has not met its initial burden under this ground as it has not provided any evidence in support of its allegation.

[123] A decision by the examination section of the Trade-marks Office is not binding on this Board and does not have precedential value for this Board [see *Thomas J Lipton Inc v Boyd Coffee Co* (1991), 40 CPR (3d) 272 (TMOB) at p 277; *Procter & Gamble Inc v Morlee Corp*

(1993), 48 CPR (3d) 377 (TMOB) at p 386]. Moreover, an opponent's initial burden under a section 30(a) ground may be met simply through sufficient argument [see *McDonald's Corp v MA Comacho-Saldana International Trading Ltd* (1984), 1 CPR (3d) 101 (TMOB) at 104], which the Opponent has done so in this case.

[124] For ease of reference, I reproduce below the applied for services in question:

Advertising services, promotional services and marketing services, namely: retail store based advertising programs, retail store and special-event based product sampling programs, product sample distribution programs and coupon programs all related to the distribution and sale of carbonated soft drinks, and syrups and concentrates used in the preparation of carbonated soft drinks.

[125] In *Ralston Purina Co v Effem Foods Ltd* 1997 CarswellNat 2999; 81 CPR (3d) 528 (TMOB) par 14, Hearing Office Groom stated that “while there is nothing in the Act that restricts a service to one that is *not* merely incidental or ancillary to the sale of goods, there is still a requirement that there be a service offered to some third party before a statement of services will be accepted” and that “making the public aware of [the applicant's] product is actually providing a real service to the public”.

[126] Having reviewed the guidelines and the representative listing of the goods and services contained in the *Goods and Services Manual* of the Canadian Intellectual Property Office [see *Semperviva Natural Health and Body Care Products Limited v Hexameron Corporation*, 2014 TMOB 41 as an example of cases where the Registrar has referred to this manual to consider a section 30(a) ground of opposition], I note the following representative entries considered to be acceptable by the Canadian Intellectual Property Office: “providing promotional coupon programs pertaining to a line of food products”; “distribution of samples for publicity purposes”; and “sample distribution”.

[127] In view of the foregoing, with the exception of “retail store based advertising programs” where there is no indication that the public would benefit from such service, I am satisfied that the remaining applied for services can be considered as an acceptable identification of services under section 30(a) of the Act.

Section 30(b) Ground

[128] The issue under section 30(b) is whether the Applicant had continuously used the Mark in the normal course of trade from the alleged date of first use to the material date [see *Immuno AG v Immuno Concepts, Inc* (1996) 69 CPR (3d) 374 (TMOB); *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262 and *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd* 2014 FC 323].

[129] There is an initial evidential burden on the Opponent to adduce sufficient evidence to support its allegation of the application's non-conformity to section 30(b) of the Act, bearing in mind that the facts regarding the Applicant's first use are particularly within the knowledge of the Applicant [see *Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1996), 10 CPR (3d) 84 (TMOB) at 89 and *Corporativo de Marcas*, supra]. The Opponent's initial burden can be met by reference not only to its own evidence but also that of the Applicant's [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230]. If the Opponent succeeds in discharging its initial evidential burden, the Applicant must then, in response, substantiate its claim of use during the material time.

[130] Relying on Mr. Samoszewski's affidavit, the Opponent submits that (i) the Applicant has not used the Mark alone on any soft drinks, (ii) there is no invoice or any documentary evidence showing any sales of the Applicant's soft drinks in Canada as of the alleged date of first use, (iii) that there is no evidence of use of the Mark with "syrops and concentrates", and that (iv) that there is no evidence of use of the Mark with the applied for services, for a third party, or with the Mark alone. The Opponent further submits that a bald assertion of sales should not be accepted.

[131] I further note that Mr. Hadley's affidavit also refers to an affidavit filed by Mr. Ferris in a separate opposition proceeding between the parties and answers that were provided during cross-examination, as evidence that would put into question the claimed date of first use in the subject application, which I have already addressed above. Suffice it to say that the affidavit and the particulars of the application in question were not filed in the present proceeding; I am not prepared to accept Mr. Hadley's brief summary of the Ferris affidavit, or his impressions of what was left out of the affidavit, as necessary or reliable evidence.

[132] In response to the Opponent's allegations, the Applicant submits that the Opponent has failed to meet its initial burden for its section 30(b) ground as Mr. Samoszewski's affidavit clearly provides that the Applicant launched, distributed and promoted DIET SPRITE ZERO, a product that bears the Mark, in Canada as early as October 2004, consistent with the alleged date of first use "since at least as early as September 26, 2005".

[133] Having reviewed Mr. Samoszewski's affidavit in its entirety, along with the transcript of his cross-examination, I am not satisfied that the Opponent has met its initial evidential burden with respect to its section 30(b) ground, even if it has been characterized as a light burden. In particular, the Opponent failed to put into question the veracity of the alleged date of first use of the Mark in association with the applied for goods and services.

[134] It is well-established that nothing prevents an owner from using two or more trade-marks on a single good [see *AW Allen Ltd v Warner-Lambert Canada Inc*, 1985 FCJ 824, 6 CPR (3d) 270 (FCTD)]. Moreover, while Mr. Samoszewski might not have provided documentary evidence in support of his bald assertion of sales of Sprite ZERO "at least as early as October 2004", when the affidavit is read as a whole, there is nothing to suggest that the statement is inaccurate. During his cross-examination, in reference to Diet Sprite ZERO's launch date of October 2004 for which the artwork of the label dated August 2004 is attached as Exhibit MS-3, Mr. Samoszewski explained that the Applicant's sales system allows him to track to the year and month when sales and distribution in the marketplace of a particular product had begun [Qs78 to 80]. The affiant added that in accordance with the Applicant's normal operating patterns, the artwork label attached as MS-3 would be the one that was used when the product was launched two months after [Qs85 and 86].

[135] Likewise, setting aside the question of whether the applied for services offer a benefit to a third party which was previously addressed under the section 30(a) analysis, Mr. Samoszewski's affidavit does not speak to the claimed date of first use of the Mark in association with its advertising, promotional and marketing services. It simply provides examples of promotional materials bearing the Mark at different times; this does not in itself put into question the alleged date of first use. Finally, Mr. Samoszewski's affidavit does not cast doubt, nor does it put into

question, the date of first use of the Mark in association with “syrups and concentrates used in the preparation of carbonated soft drinks”.

[136] In the end, there is no requirement for the Applicant to substantiate its claimed date of first use with respect to its applied for goods and services until the Opponent has met its initial evidential burden. In this case, the Opponent has not done so. Consequently, I dismiss the section 30(b) ground of opposition for the Opponent’s failure to meet its initial burden.

Section 30(i) Ground

[137] Section 30(i) of the Act requires an applicant to declare in the application that it is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant’s statement untrue [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Opponent has not demonstrated that such circumstances exist in the present case.

[138] Consequently, I dismiss the section 30(i) ground of opposition for the Opponent’s failure to meet its initial burden.

Disposition

[139] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Pik-Ki Fung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

Hearing Date: September 15, 2015

Appearances

Gervas W. Wall For the Opponent

James H. Buchan For the Applicant

Agents of Record

Deeth Williams Wall LLP For the Opponent

Gowling Lafleur Henderson LLP For the Applicant