



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

Citation: 2011 TMOB 157
Date of Decision: 2011-08-31

**IN THE MATTER OF AN OPPOSITION
by Vincor International Inc. to
application No. 1,240,817 for the trade-
mark PRESIDENTE DOMINICANA in
the name of Cerveceria Nacional
Dominicana C. por A.**

[1] On December 15, 2004, Cerveceria Nacional Dominicana C. por A. (the Applicant) filed an application to register the trade-mark PRESIDENTE DOMINICANA (the Mark) for beer based upon proposed use of the Mark in Canada.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 26, 2005.

[3] On November 2, 2005, Vincor International Inc. (the Opponent) filed a statement of opposition, which pleaded the following grounds of opposition, pursuant to the indicated sections of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act):

1. s. 38(2)(a)/30(e): the application is not in compliance because the Applicant does not itself intend to use the Mark in Canada;
2. s. 38(2)(a)/30(i): the application is not in compliance because the Applicant cannot be satisfied that it is entitled to use the Mark in Canada in association with

“beer” because the Applicant has known that the Mark has been extensively used by the Opponent for confusingly similar wares being “wines”;

3. s. 38(2)(b)/12(1)(d): the Mark is not registrable because it is confusing with the trade-mark PRESIDENT registered by the Opponent under No. UCA27871;

4. s. 38(2)(c)/16(3)(a): the Applicant is not the person entitled to registration of the Mark because at the date of filing of the application the Mark was confusing with the Opponent’s PRESIDENT mark, which had been previously used and made known in Canada by the Opponent and its predecessor in title in association with wines since at least as early as 1947;

5. s. 28(2)(c)[sic]/16(3)(c): the Applicant is not the person entitled to registration of the Mark because at the date of filing of the application the Mark was confusing with the Opponent’s trade-name, President Champagne Company, which had been previously used in Canada by the Opponent since at least as early as March 2, 2004 (clearly the reference to s. 28(2)(c) in the pleadings is a typographical error; the Applicant has not raised any concern about this error and I shall consider it as having been properly pleaded under s. 38(2)(c));

6. s. 38(2)(d): the Mark is not distinctive because it is not distinctive of the Applicant nor does it actually distinguish the wares of the Applicant from the wares of the Opponent, nor is it adapted so as to distinguish them.

[4] The Applicant filed and served a counter statement in which it denied the Opponent’s allegations.

[5] In support of its opposition, the Opponent filed affidavits from the following individuals:

- Steven Bolliger, the Opponent’s Vice-President, Marketing
- Robert W. White, Senior Vice President, Canada of the Audit Bureau of Circulations

- Sarah Hemmingsen, a student at law.

[6] In support of its application, the Applicant filed affidavits from the following individuals:

- Ellen Baker, a businesswoman
- Nicolas Cayouette, an articling student
- Lillian Yeung, a student at law
- Stephen Rodger, a licensed private investigator
- Rafael G. Menicucci, the Applicant's President.

[7] Cross-examinations were conducted with respect to each of the 8 affidavits and transcripts of the cross-examinations form part of the record.

[8] The Opponent has submitted that certain parts of the Rodger affidavit are inadmissible hearsay and I agree. In paragraphs 8 and 9 of his affidavit, Mr. Rodger provides exhibits which he introduces by saying that he was informed by a certain individual and verily believes it to be true that these materials were obtained by the Applicant's law firm and given to him. I am according those exhibits no weight as there is no indication as to why it was necessary for them to be introduced in this manner.

[9] Both parties filed a written argument and participated in an oral hearing.

Onus and Material Dates

[10] 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 Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

[11] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)];

- s. 38(2)(b)/12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];

- s. 38(2)(c)/16(3)(a)/(c) - the filing date of the application;

- s. 38(2)(d) - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

Section 30(e) Ground of Opposition

[12] Since the application contains a statement that the Applicant by itself and/or through a licensee intends to use the Mark in Canada, it formally complies with s. 30(e). The Opponent argues however that the evidence, including the cross-examination of the Applicant's President, Mr. Menicucci, shows that the Applicant has not put any real thought into how it intends to use the Mark in Canada. The Applicant is a major brewer abroad; its best known brand of beer is PRESIDENTE beer. Mr. Menicucci basically says that the Applicant intends to use PRESIDENTE DOMINICANA in Canada in a way similar to that used abroad for its mark PRESIDENTE. I see no need for the Applicant to have specific marketing plans etc. for Canada in order to defend the s. 30(e) ground. It is perfectly acceptable, and often prudent, for a party to wait until its application has been allowed before it expends money on marketing plans and the like [see Jolliffe & Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, section 5.3]. Section 30(e) serves in part to preclude trafficking in trade-marks [see *Hunter Douglas Canada Ltd. v. Flexillum Inc.* (1983), 78 C.P.R. (2d) 212 (T.M.O.B.) at 222-223], but there is no allegation that the present applicant is involved in trafficking.

[13] The s. 30(e) ground is therefore dismissed.

Section 30(i) Ground of Opposition

[14] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Likelihood of Confusion

[15] The key issue in this proceeding is the likelihood of confusion between PRESIDENTE DOMINICANA and PRESIDENT. I choose to begin my analysis of the likelihood of confusion under the s. 16(3)(a) ground of opposition.

[16] In order to meet its initial burden under s. 16(3)(a), the Opponent must show that it had used or made known the PRESIDENT trade-mark in association with wines in Canada prior to December 15, 2004, and had not abandoned such mark as of October 26, 2005. The Applicant submits that the Opponent has not met its initial burden and so I will review the evidence on this issue.

[17] Mr. Bolliger was the Opponent's Vice-President, Marketing from 1998 to the date of his affidavit (December 6, 2007). He states that the PRESIDENT trade-mark has been used in Canada in association with wines since 1947 and that, since at least 1978, PRESIDENT Canadian Champagne has been Canada's best-selling domestic champagne. He provides the annual sales figures for PRESIDENT wine for each of the years 2001 through 2006 (more than two million dollars each year).

[18] Mr. Bolliger provides various PRESIDENT labels as Exhibits D, E and F. He says that the Exhibit D labels "are representative of those labels used in Canada in recent years." He says that the Exhibit E labels "are representative of those labels used in Canada for many years by Vincor's predecessor-in-title T.G. Bright & Co., Limited." He says that the Exhibit F label "is representative of bottled [sic] sold in Canada in recent years." Mr. Bolliger's use of the word "recent" makes his statements regarding Exhibits D and F ambiguous as to whether those labels were being used in Canada prior to December 15, 2004. However, according to the information provided by Mr. Bolliger in paragraph 4 concerning the Opponent's corporate history, T.G. Bright & Co., Limited was not in existence after August 11, 1994. I am therefore able to conclude that at least the Exhibit E labels were in use prior to December 15, 2004. As the evidence is clear that the Opponent did not subsequently abandon its PRESIDENT mark, I find that the Opponent has met its initial burden under the s. 16(3)(a) ground.

[19] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[20] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C).]

[21] In *Masterpiece*, the Supreme Court stated that the degree of resemblance between the marks is often likely to have the greatest effect on the confusion analysis [see also *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at 149, affirmed 60 C.P.R. (2d) 70] and it chose to begin its confusion analysis by considering that factor. While the Supreme Court observed that for the purpose of distinctiveness, the first word of a trade-mark may be the most important [see *Conde Nast Publications Inc. v. Union des éditions modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)], it opined that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[22] In order to assess whether an aspect of a mark is particularly striking or unique, it seems appropriate to consider the inherent distinctiveness of the mark's components. The word "president(e)" is not inherently strong due to its somewhat laudatory nature. The word "dominicana" is not inherently strong because it is evocative of the place of origin of the wares (the Applicant is located in the Dominican Republic/Republica Dominicana, its beer is manufactured there and geographic designations are not inherently distinctive [see *California Fashion Industries Inc. v. Reitmans (Canada) Ltd.* (1991), 38 C.P.R. (3d) 439 (F.C.T.D.) at

para. 13]). Therefore, I find that neither aspect of the Applicant's Mark is particularly striking or unique, with the result that it is appropriate to consider the first portion of the Mark, namely PRESIDENTE, to be the most important for assessing the likelihood of confusion.

[23] Turning to the Opponent's mark, it is clear that its sole feature, the word PRESIDENT, must be its dominant feature, even though it is not inherently strong.

[24] I conclude that, although there are differences between the parties' marks in appearance, sound and ideas suggested, the degree of resemblance between the marks as a whole is nevertheless significant.

[25] For the reasons set out above, neither party's mark is inherently strong, but the extent to which each mark has become known and the length of time during which each has been used clearly favours the Opponent. There is no evidence that the Applicant's Mark has been used or promoted in Canada. In contrast, the Opponent claims use of PRESIDENT since 1947 and provides evidence of significant sales and promotion of the PRESIDENT mark in Canada [between 2001 and 2004 approximately two million liters of PRESIDENT wine were sold and more than \$600,000 was spent on advertising the PRESIDENT mark through newspapers, magazines, posters, and sponsored events]. Although the Applicant has argued that all of the sales may not be attributable to PRESIDENT *simpliciter*, as opposed to some combination mark such as BRIGHTS PRESIDENT, even if the figures were to be discounted somewhat, these factors would still favour the Opponent. Moreover, I do not accept the Applicant's argument that PRESIDENT is seldom used *per se*. There is evidence of PRESIDENT appearing totally on its own (e.g. in Exhibits E and G, Bolliger affidavit) but equally important, when it appears in combination with other words (such as BRIGHT'S PRESIDENT, GRAND RESERVE PRESIDENT, PRESIDENT CUVÉE) the presentation is typically such that it qualifies as use of PRESIDENT *simpliciter* because PRESIDENT stands out from the surrounding words, for example by appearing on a separate line or in a different font [see *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.)].

[26] I will now address the nature of the wares and their channels of trade, two circumstances that the Applicant relies heavily upon in support of its position that the marks are not likely to be confused.

[27] Beer and wine are of course both alcoholic beverages but there are differences between them and in Canada the sale of alcoholic beverages is highly regulated. There is some evidence before me as to the nature of the trade with respect to wine and beer. This varies depending on the province or territory in which such wares are being sold. I will not go into the details further. I think it suffices to say that in parts of Canada, there are special outlets for different types of alcoholic beverages, whereas in others they may be sold together through a broader selection of outlets. Overall, their retail channels of trade may well overlap. In addition, many restaurants and bars sell both wine and beer.

[28] There is perhaps some question as to whether the industry to be considered is the wine industry, the beer industry, or the alcoholic beverages industry, but, from the point of view of a beverage consumer, I am not certain that this is a very significant distinction.

[29] Each case must of course be decided on its own facts but three opposition decisions have been brought to my attention in which the present Opponent successfully opposed applications to register PRESIDENT trade-marks for alcoholic beverages. These are:

- i) *Vincor International Inc. v. Cervceria Nacional Dominicana C. por A.* [2004] T.M.O.B. No. 164: proposed use application for PRESIDENTE & Design by the present Applicant refused for “beer”
- ii) *Vincor International Inc. v. ONCV* [2008] T.M.O.B. No. 95: use based application for CUVÉE DU PRESIDENT refused for “wine”
- iii) *Vincor International Inc. v. Brinker Restaurant Corp.* [2009] T.M.O.B. No. 36: proposed use application for PRESIDENTE MARGARITA & Design refused for “alcoholic beverages, namely margaritas for consumption on the premises”.

[30] I note the following comments concerning the nature of the wares and the nature of the trade by Board Member Herzig at paragraphs 11-12 of the first decision cited above:

The applicant submits that beer is a different product from wine: see *Corby Distilleries Ltd. v. Corban Wines Ltd.* 38 C.P.R. (2d) 245 at 252-253 (TMOB), *Benedictine Distillerie de la Liqueur v. John Labatt Ltee* 28 C.P.R. (3d)

487 at 489, para. c (F.C.T.D.). The applicant further submits that beer is sold through retail beer stores while wine is sold through wine stores, but acknowledges that there would be some overlap in the channels of trade for the respective wares through liquor stores.

I agree with the applicant that beer is a different product than wine. In this regard, beer is produced from grain through a brewing process while wine is produced from grapes through a fermentation process (and liquor is, of course, produced through a distillation process). However, the wares of both parties are alcoholic beverages and are therefore the products of one industry. Further, the wares of both parties would be sold, potentially in close proximity, to the public through the same types of establishments namely liquor outlets, bars and restaurants: see Chairman Partington's decision in *Champagne Moet & Chandon v. Chatam International Inc.* 12 C.P.R. (4th) 549 at 554 - 558 (TMOB) which reviews jurisprudence confirming that different alcoholic products are part of one industry.

[31] The Applicant argues that the three foregoing cases are distinguishable from the present case in that in those three cases the Opponent relied on multiple marks whereas here it has only referred to PRESIDENT in its pleadings. However, I note that in all the cases the s. 12(1)(d) ground of opposition was assessed and succeeded based on the Opponent's PRESIDENT registration. Of course, I agree that each case must be decided on its own facts; I have reproduced the passage above regarding the nature of the parties' wares and their channels of trade simply because such statements are equally applicable to the case at hand.

[32] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, I arrive at the conclusion that the probabilities of confusion between the marks at issue are evenly balanced between a finding of confusion and of no confusion. In reaching this conclusion, I have had special regard to the following facts: i) the Applicant has incorporated the Opponent's mark in its entirety as the first portion of its Mark; ii) only the Opponent's mark has acquired a reputation; iii) both marks are for use in association with alcoholic beverages; and iv) at the material date of December 15, 2004 there is no evidence of anyone other than the Opponent using the word PRESIDENT in association with alcoholic beverages in Canada.

[33] As the legal burden is on the Applicant to establish, on a balance of probabilities, that the Mark was not confusing with the trade-mark PRESIDENT at the filing date of the application, the s. 16(3)(a) ground succeeds.

[34] Turning to the distinctiveness ground of opposition, I note that the Opponent has met its initial burden since it has shown that its PRESIDENT mark had become known sufficiently as of November 2, 2005 to negate the distinctiveness of the Applicant's Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)]. As the surrounding circumstances as of November 2, 2005 are not significantly different from those as of December 15, 2004, my analysis regarding the distinctiveness ground of opposition is similar to that regarding the s. 16(3)(a) ground of opposition. The distinctiveness ground of opposition therefore also succeeds.

[35] Turning to the s. 12(1)(d) ground of opposition, I note that the Opponent has met its initial burden because its registration No. UCA27871 is extant. As I have already refused the application under two other grounds, I see no need to render a ruling on the likelihood of confusion as of this ground's later material date. I do note however that the outcome of this ground might not be the same as the outcomes of the s. 16(3)(a) and distinctiveness grounds because the surrounding circumstances differ due to the later material date. In particular, as of today's date there is evidence that others have used PRESIDENT as part of trade-marks in association with alcoholic beverages and de-alcoholized beer in Canada, which might serve to narrow the scope of protection that the Opponent's mark is entitled to claim.

[36] Finally, I will mention that I am dismissing the s. 16(3)(c) ground on the basis that the Opponent has not met its initial burden because it has not provided evidence showing use of the trade-name President Champagne Company prior to December 15, 2004.

Disposition

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

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office