

**IN THE MATTER OF AN OPPOSITION by.  
Sociedad Agricola Santa Teresa Ltda and  
Vicente Izquierdo Menéndez to Application No.  
1098023 for the Trade-mark LEYDA filed by  
Vina Leyda Limitada**

**I The Pleadings**

On April 4, 2001 Vina Leyda Limitada (the “Applicant”) filed an application to register the trade-mark LEYDA (the “Mark”) based on proposed use in association with wines (the “Wares”). The application was advertised on November 20, 2002 in the Trade-marks Journal for opposition purposes.

Sociedad Agricola Santa Teresa Ltda and Vicente Izquierdo Menéndez (the “Opponent”) filed on December 20, 2002 a statement of opposition that was sent on January 7, 2003 by the Registrar to the Applicant. The Applicant responded on June 26, 2003 with a counter statement denying essentially the allegations contained in the statement of opposition.

The Opponent filed the affidavits of Ms. Maria Paulina Bardon Calvo and Ms. Elise Fournier as its evidence while the Applicant filed the affidavits of Mr. Gustavo Llona Tagle and Mr. Jack Segal.

Neither parties filed written submissions but were represented at an oral hearing.

**II The grounds of Opposition**

In its statement of opposition the Opponent raises the following grounds of opposition:

1. The application does not conform to the requirements of s. 30 of the *Trade-marks Act* R.S.C. 1985, c. T-13, (the “Act”) in that:
  - a) The Applicant at the time of filing the application was already using the Mark in Canada;
  - b) Alternatively or cumulatively, the Applicant never intended to use the Mark in Canada or has abandoned same, by way of non continuous use;
  - c) It is falsely that the Applicant has claimed to be satisfied to use the Mark in Canada in view of the facts hereinafter referred to, the commercial activities of the Applicant as well as its intervention with respect to an

- amendment to Chilean Order 464 to cause VALLE DE LEYDA and LEYDA to be declared an Appellation of Origin.
2. The Mark is not registrable pursuant to the provisions of s. 38(2)(b) and 12(1)(b) and (e) of the Act since:
    - a) The Mark whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the Wares, or of the conditions of their production, or of their place of origin, namely Valley de Leyda (Leyda Valley) or Leyda in Chile and, in that regard, Leyda is a geographic denomination or indication of the source of Chilean wines;
    - b) The Mark is a mark of which the adoption is prohibited by s.10 of the Act since the term LEYDA has by ordinary and *bona fide* commercial usage become recognized in Canada as designating a Chilean wine from the Leyda Valley;
  - 4) Pursuant to s. 38(2)(d), the Applicant's Mark is not distinctive of the Applicant's Wares having regard to s. 2 of the Act since:
    - a. The Mark does not actually distinguish the Applicant's Wares from the wines of others including the Opponent nor is it adapted to so distinguish them;
    - b. Because of the transfer of the Mark, there were subsisting rights of use of the Mark into two or more entities and those rights were exercised by those entities concurrently, contrary to the provisions of s. 48(2) of the Act;
    - c. The Mark is used outside the scope of protection governing licensed use of a trade-mark as defined in s. 50 of the Act.

I did not reproduce the third ground of opposition as drafted in the Opponent's statement of opposition as the introductory paragraph of s.16 of the Act does not support a ground of opposition challenging the registrability of a trade-mark or non conformity of the application to the requirements enumerated under s.30. The ground of opposition defined in s.16 is commonly known as the "entitlement" ground of opposition and can only be sustained if the conditions enumerated under sub-sub paragraphs (a), (b) or (c) of s.16 (1), (2) or (3) are met. The Opponent has not alleged any facts related to those conditions and therefore I considered its third ground of opposition ill founded in law.

### **III Analysis of the various grounds of opposition**

The legal burden is upon the Applicant to show that its application complies with the provisions of the Act, but there is however an initial evidential onus on the Opponent to establish the facts relied upon by it in support of each ground of opposition. Once this initial burden is met, the Applicant

still has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [See *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company*, [2005] F.C. 722].

The Opponent has not adduced any evidence to support grounds of opposition 1 a), b), c), 4b) and c) described above. Therefore they are dismissed for failure by the Opponent to meet its initial onus of proof.

*i) Registrability*

Since the Federal Court decision in *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4<sup>th</sup>) 60, the Registrar has adopted as the relevant date the filing date of the application when considering the issue of registrability of a trade-mark under Section 12(1)(b) of the Act. [See *Zorti Investments Inc. v. Party City Corporation* (2004), 36 C.P.R. (4th) 90; *Havana Club Holdings S.A. v. Bacardi & Company Limited*, (2004) 35 C.P.R. (4th) 541]

There is no doubt that the evidence filed by both parties establishes that Leyda or Valley of Leyda is a region in Chile. Where the parties do not agree, thus this opposition, is on the applicable test under s. 12(1)(b) to determine if the Mark is clearly descriptive or deceptively misdescriptive of the place of origin of the Wares. The Applicant takes the position that the Registrar must determine if the average Canadian consumer on a first impression would perceive the Mark as the location of origin of the Wares. The Applicant's contention is that the evidence in the record does not enable the Registrar to conclude that Leyda, Chile is recognized by the average Canadian consumer as the place of origin of Chilean wines. The Opponent is of the view that once you have established that the trade-mark corresponds to the place of origin of the wares, the trade-mark is clearly descriptive within the meaning of s. 12(1)(b) and the ground of opposition should be maintained. The awareness of the geographical significance of a trade-mark by the average Canadian would only come into play if the ultimate issue is whether the trade-mark is deceptively misdescriptive of the place of origin of the wares or services. Before reviewing the evidence, I shall determine first which test I must apply under these circumstances.

In *Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 at 34 Mr. Justice Cattanach stated:

If the responsibility for the initial decision had been mine, I would have concluded that the proposed trade mark was not registrable under the section 12(1)(b). I think that the words "Once-a-Week" are merely informative, descriptive or generic as applied to a floor cleaner and that such words are not likely to serve any purpose other than to inform prospective purchasers of the frequency with which the product should be used.

In so concluding, I accept without question the submission of the respondent that the decision that a trade mark is clearly descriptive is one of first impression.

My first impression, and my continuing impression, is that the words "Once-a-Week" would convey to a prospective purchaser and immediately identify a floor cleaner with which it is associated as one that need be used only once a week and that one application thereof would endure for that period of time

The word "clearly" in section 12(1)(b) of the Act, which precludes the registration of a trade mark that is "clearly descriptive ... of the character or quality of the wares or services in association with which it is used or proposed to be used", is not synonymous with "accurately" but rather the meaning of the word "clearly" is "easy to understand, self-evident or plain"

It is not a proper approach to the determination of whether a trade mark is descriptive to carefully and critically analyse the word or words to ascertain if they have alternative implications when used in association with certain wares but rather to ascertain the immediate impression conveyed thereby. (My underlining)

Even though the issue in that case was to determine if the trade-mark was clearly descriptive in the English language of the character or quality of the wares, the principle set out by Mr. Justice Cattanach is equally applicable where the issue is to determine if the trade-mark is clearly descriptive of the place of origin of the wares. The word "clearly" qualifies all the possibilities covered in s.12 (1)(b) namely if the trade-mark describes:

- The quality of the wares or services;
- The character of the wares or services;
- The conditions of the production of the wares or services;
- The persons employed in the production of the wares or services; and
- The place of origin of the wares or services.

Therefore, by reference to *Drackett Co* I have to determine if it is self-evident, as a matter of first impression, that the average Canadian consumer would associate the Mark with the place of origin of the Wares. In order to answer that question I have to review the evidence filed in the record.

Mr. Segal is the managing director and owner of the Seacove Group Inc. (“Seacove”) that specializes in the importation, distribution and marketing of premium wines. As stated above there is no controversy that Leyda is located in Chile and a region that produces wines. Reference is made on this issue to paragraphs 6, 7 and 9 of Mr. Segal’s affidavit and paragraph 4 of Ms. Bardon Clavo’s affidavit, an attorney in Chile. There has been no evidence to contradict the allegations contained in paragraphs 4 and 9 of Mr. Segal’s affidavit that Seacove commercializes wines produced by the Applicant and to his knowledge the Applicant’s wines do come from Leyda, Chile. Therefore the Mark cannot be held to be deceptively misdescriptive.

Mr. Segal states in paragraph 8 of his affidavit that based on his eight years of experience in the field of wine commercialization in Canada that the Canadian buyers and consumers would not recognize the terms Leyda or Valley de Leyda as designating the place of origin of wine products but rather would consider it as a trade-mark indication. In the absence of contradictory evidence on this issue I might be tempted to base my decision on such statement but I’m not convinced that Mr. Segal’s expertise would encompass the ability to make such opinion. At best it constitutes a personal opinion and not an expert opinion. He does state that he deals with the various Provincial liquors boards but makes specific reference only to the BCLDB. There is no Canadian market study or survey filed in the record to support such contention. On the other hand I do not have any evidence that the average Canadian consumer would associate the Mark as the place of origin of the Wares.

I shall limit at this stage my analysis of Ms. Fournier’s affidavit to evidence that might support the contention that the average Canadian might be aware that Leyda is a location in Chile where wines are produced. Extracts of various websites have been filed wherein the term “Leyda” is found and associated with wines. We have no information if those web pages were displayed on or before the relevant date, if Canadians consulted them and if so how many. In the absence of such information

these documents are of little assistance in determining the perception of the average Canadian of the term “Leyda”.

Ms. Fournier also filed extracts of a magazine on wine production in Chile that includes references to Leyda. However this extract was published after the relevant date. The same holds true for the text of a conference given in London. I may add that we have no indication in her affidavit if such conference was given in London, England or London, Canada, or any other location in Canada but it would appear from some of the headings in the text (“UK Strategic Plan”, UK First Priority Status”) that it was given in England.

Finally annexed to her affidavit is a legal document, described by the affiant as an order attesting that Leyda Valley is an appellation of origin, and written in a foreign language presumably in Spanish with an English translation of only portions of the original document. Moreover we have no certificate issued by an official translator attesting the veracity of such translation. I’m therefore ignoring those documents. In any event I am not persuaded in the absence of a legal opinion on the meaning of such foreign order that Leyda Valley is designated as an appellation of origin. It would appear that the appellation of origin designated in such order is San Antonio Valley, which comprises the area of Leyda Valley. On this point I am referring to paragraphs 5 and 8 of Ms. Bardon Clavo’s affidavit.

Ms. Bardon Clavo annexed to her affidavit extracts of an article published in a wine magazine after the relevant date and we have no information if such issue of the magazine ever circulated in Canada. She also filed extracts of various websites, some of them written in Spanish with English translation but my comments made earlier on web site extracts annexed to Ms. Fournier’s affidavit and the lack of certification from an official translator are equally applicable.

Mr. Gustavo Llona Tagle has been, since January 2001, the Applicant’s General Manager. It was founded in October 2000. The Applicant started producing wines locally in 2001 and for international markets in 2002 in association with the trade-marks LEYDA and VIÑA LEYDA.

He provides the sums of money spent by the Applicant to promote the wines sold in association with the Mark between 2001 and 2004 but he has not provided any breakdown for Canada. He filed copies of articles published in various wine publications where reference is made to wines bearing the Mark. We have no evidence that those magazines were distributed in Canada and some of the material filed is written in Spanish.

A chart of the Applicant's sales since 2001 of the Wares bearing the Mark per country, including Canada has been provided. However for Canada the sales started in 2004, after the relevant date and totalled only \$8000.

He filed copies of registrations obtained in Chile for the marks VINA LEYDA, LEYDA VALLEY and VALLE LEYDA but no English or French translation were provided and same is applicable for the registrations obtained in other countries and filed as exhibits to his affidavit.

The evidence in the record as a whole does not lead me to conclude that the average Canadian consumer would perceive, on a first impression, the Mark as an indication of origin of the Wares. Therefore I dismiss the ground of opposition described in paragraph 2 a) above.

The Opponent did not present any specific arguments at the oral hearing with respect to the remainder of the grounds of opposition, concentrating its oral representations to the issue of registrability of the Mark under s. 12(1)(b) and outlined above. In the absence of written arguments and oral representations it is difficult to assess the merit of the grounds of opposition described in paragraphs 2b) and 4a) above.

The evidence in the file does not permit me to conclude that the Mark has become by ordinary and *bona fide* commercial usage recognized in Canada as designating a Chilean wine from the Leyda Valley. Even considering a later relevant date, namely the date of my decision, [see *Canadian Olympic Assn v. Allied Corp.*(1989), 28 C.P.R.(3d) 161(FCA)] the evidence in the file would not support a ground of opposition based on s. 10 of the Act. Therefore I also dismiss the ground of opposition described in paragraph 2b).

Finally the ground of opposition as drafted in paragraph 4a) is illegally pleaded. It simply repeats the wording of the Act without providing any material facts to support such ground of opposition. Moreover neither the statement of opposition or the evidence enables the Applicant to identify the Opponent's wines that would have been used or made known in Canada in such a way that the Mark would not be distinctive. Thus the ground of opposition based on distinctiveness of the Mark is also dismissed.

#### **IV Conclusion**

The Applicant has discharged its burden to prove, on a balance of probabilities, that the Mark is registrable. Therefore, having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject the opposition of the Opponent, the whole pursuant to s. 38(8) of the Act.

DATED IN BOUCHERVILLE, QUEBEC, THIS 2nd DAY OF APRIL 2007.

Jean Carrière,  
Member, Trade-marks Opposition Board