



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

Citation: 2011 TMOB 255
Date of Decision: 2011-12-19

**IN THE MATTER OF AN OPPOSITION
by Bacardi & Company Limited to
application No. 1,175,652 for the trade-
mark RON CASTILLO Label Design in
the name of Corporativo de Marcas GJB,
S.A. de C.V.**

[1] On April 22, 2003, Jose Cuervo, S.A. de C.V. (the Original Applicant) filed application No. 1,175,652 to register RON CASTILLO Label Design (the Mark) based upon use of the Mark in Canada since at least as early as July 1998 in association with rum. The Mark is shown below:



[2] The right to the exclusive use of the word RON has been disclaimed apart from the Mark, because “ron” is Spanish for “rum”.

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of August 17, 2005.

[4] On October 17, 2005, Bacardi & Company Limited (the Opponent) filed a statement of opposition. The Original Applicant filed and served a counter statement in which it denied the Opponent’s allegations.

[5] In support of its opposition, the Opponent filed the following evidence:

- an affidavit of Monica Auer;
- a certified copy of a letter from Shapiro Cohen dated June 26, 2006 filed with the Registrar of Trade-marks regarding trade-mark registration No. 341,290, including as an enclosure an affidavit of Ricardo Juarez Avina signed June 23, 2006;
- a second certified copy of the aforementioned June 23, 2006 Avina affidavit;
- a certified copy of an affidavit of Ricardo Juarez Avina signed January 28, 2009, also regarding trade-mark registration No. 341,290, which was filed with the Federal Court.

[6] Ms. Auer was cross-examined on her affidavit and a transcript of the cross-examination is of record.

[7] By letter dated October 26, 2007, the Original Applicant amended application No. 1,175,652 to include its predecessors-in-title, namely: Grupo Industrial B.G., S.A.; J. Wilckens, Inc.; Jose Cuervo International, Inc.; and Quarry Corporation Limited.

[8] In support of its application, the Original Applicant filed the following evidence:

- a certified copy of an affidavit of Alejandro Cantu sworn March 21, 1996;
- a certified copy of the Federal Court of Canada Trial Division’s Reasons for Judgment rendered December 13, 1996 in the matter of *Bacardi & Company v. Quarry Corporation Limited*;

- a certified copy of the Federal Court of Appeal's Reasons for Judgment rendered March 11, 1999 in the matter of *Bacardi & Company v. Quarry Corporation Limited*;
- an affidavit of Nihan Keser sworn February 2, 2010.

[9] The Opponent obtained an order to cross-examine Mr. Cantu; as Mr. Cantu could not be produced for cross-examination, the Original Applicant withdrew his affidavit.

[10] Both parties filed a written argument.

[11] On January 27, 2011, an assignment of application No. 1,175,652 was recorded in favour of Corporativo de Marcas GJB, S.A. de C.V. (the Current Applicant). The term Applicant will be used hereafter to refer to both the Original Applicant and the Current Applicant.

[12] An oral hearing was held in which both parties participated.

Grounds of Opposition

[13] Only two grounds of opposition have been pleaded:

1. The application does not comply with s. 30(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) in that the Applicant, or its predecessors in title, have not used the Mark in Canada in association with rum since at least as early as July 1998, as claimed.
2. The Applicant is not entitled to secure the registration of the Mark. In particular, the Applicant has not complied with s. 16(1) of the Act, in that it, or its predecessors in title, have not used the Mark in Canada.

[14] The Applicant has submitted, and I agree, that the Opponent has not properly pleaded a ground of opposition pursuant to s. 16(1) of the Act. The second ground of opposition is accordingly dismissed.

Section 30(b) Ground of Opposition

[15] Section 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed [see *Labatt Brewing Co. v. Benson & Hedges (Canada) Ltd.* (1996), 67 C.P.R. (3d) 258 (F.C.T.D.) at 262]. The material date for assessing a s. 30 ground is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475].

[16] 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]. That burden is lighter respecting the issue of non-conformance with s. 30(b) of the Act [see *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.H.O.) at 89]. Furthermore, the Opponent's evidential burden can be met by reference to the Applicant's own evidence [see *Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.) at 230].

[17] The only issue to be decided in this opposition proceeding is whether or not the Opponent has met its initial burden with respect to its s. 30(b) ground of opposition. If it has, then the application will be refused because the Applicant has not even suggested that there is evidence before me that establishes that it or its predecessors-in-title have used the Mark in Canada as alleged. The Applicant instead has simply taken the position that it need not have filed anything to meet its legal burden in view of its position that the Opponent has not met its initial burden.

[18] I will therefore now assess whether the evidence satisfies the Opponent's light burden. In particular, is it reasonable to conclude from the evidence that the Applicant or its named predecessors did not make continuous use of the Mark in Canada in association with rum since at least as early as July 1998 through to the filing date of April 22, 2003?

[19] The evidence that the Opponent relies upon to meet its initial burden comprises the evidence and reasons of judgment in two s. 45 proceedings that involved the present parties, or

their predecessors, in regard to the Applicant's registration No. TMA341,290 for the word mark CASTILLO in association with rum.

[20] The first s. 45 proceeding was commenced by the Opponent against registration No. TMA341,290, with the s. 45 notice being issued on September 21, 1995; the Registrar of Trade-marks ruled that the registration should be expunged but the Federal Court Trial Division, as well as the Federal Court of Appeal, maintained the registration [see *Quarry Corporation Limited v. Bacardi & Company Limited* (1996), 72 C.P.R. (3d) 25 (F.C.T.D.), affd. (1999), 86 C.P.R. (3d) 127 (F.C.A.)].

[21] The second s. 45 proceeding was commenced by the Opponent against registration No. TMA341,290 with the s. 45 notice being issued on October 26, 2005; the Registrar of Trade-marks ruled that the registration should be expunged and appeals to both the Federal Court and the Federal Court of Appeal have been dismissed [see *Jose Cuervo S.A. de C.V. v. Bacardi & Company Limited et al.* (2009), 78 C.P.R. (4th) 451 (F.C.), affd. 2010 FCA 248].

[22] The Opponent has introduced certified copies of the evidence that was filed in support of the CASTILLO registration in the second s. 45 proceeding, namely two affidavits of Ricardo Juarez Avina, who at the time that the affidavits were sworn was Manager of the Legal Department of the Original Applicant. The first Avina affidavit was dated June 23, 2006 and filed before the Registrar of Trade-marks; the second Avina affidavit was dated January 28, 2009 and filed on appeal to the Federal Court.

[23] In the second s. 45 proceeding, the Original Applicant was required to show that the trade-mark CASTILLO was being used in Canada in association with rum between the dates of October 26, 2002 and October 26, 2005; if there was no such use, then the Original Applicant was required to establish special circumstances that justified the lack of use.

[24] In his first affidavit, Mr. Avina chose to identify the Original Applicant as the owner of both registration No. TMA 341,290 for CASTILLO and the present application No. 1,175,652 for RON CASTILLO Label Design. He stated that the Original Applicant had a license for the production of CASTILLO rum products and provided copies of two invoices, one dated November 21, 1994 to the Liquor Control Board of Ontario and one dated November 24, 1999 to

UDV Canada for consignment to the Alberta Liquor and Gaming Commission. Mr. Avina noted that the invoices indicate in the description line that the item sold was “Ron Castillo Rum” and stated, “[t]he word ‘Ron’ means rum in Spanish and indicates the type of beverage sold and is not part of the trademark.” Mr. Avina also attested, “On or about May 2002, a significant marketing effort was undertaken to create a new label for the rum bearing the Trademark CASTILLO to also include the secondary trademark COHIBA.” He went on to explain that a worldwide dispute regarding the use of COHIBA resulted in a delay in selling CASTILLO branded products in Canada since the CASTILLO label also bore the COHIBA mark.

[25] I reproduce below paragraphs 4-6 and 9 of the second Avina affidavit, which was filed before the Federal Court on appeal:

4. In my affidavit sworn June 23, 2006, there was an invoice dated November 24, 1999 ... to UDV Canada for consignment to Alberta Liquor and Gaming Commission, which was attached as Exhibit A.

5. Use of the trade-mark CASTILLO was then interrupted by [the Original Applicant].

6. [The Original Applicant] resumed use of its trade-mark CASTILLO in Canada on August 4, 2008. Attached to this my Affidavit and marked at [sic] Exhibit “A” is a copy of an invoice ... for consignment to Alberta Liquor Commission for CASTILLO rum... The invoice attached as Exhibit A indicates in the description column that the item sold was “RON CASTILLO ANEJO”. The word “RON” means rum in Spanish and indicates the type of beverage and is not part of the trade-mark.

...

9. As the legal issues relating to the use of COHIBA in Canada remained unresolved for some time, a decision was made to remove the COHIBA mark from the label to be used in Canada and use was once again commenced.

[26] Based on the Avina affidavits, the Opponent submits that the Applicant was not using the Mark in Canada between November 24, 1999 and August 4, 2008. For the purposes of the

present proceeding, it matters not what the Applicant was doing before July 1998 or after April 22, 2003; however, to the extent that the Avina evidence casts doubt on whether the Mark was in continuous use in Canada between November 24, 1999 and April 22, 2003, then it is relevant to the present opposition proceeding.

[27] The Applicant has raised a number of reasons why it considers the Avina evidence to be irrelevant or inadmissible, which I will address below.

[28] The Applicant points out that the s. 45 proceedings concerned the trade-mark CASTILLO, not the Mark that is the subject of the present opposition. However, it is clear that use of the Mark would qualify as use of the CASTILLO word mark [see *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.)]. Since use of the Mark qualifies as use of the trade-mark CASTILLO, when Mr. Avina states that use of CASTILLO was interrupted after November 24, 1999 and resumed on August 4, 2008, that statement is equivalent to saying that there was no use of the Mark during that time period.

[29] The Applicant has also argued that the decisions concerning the word mark CASTILLO are not *res judicata* with respect to the present proceeding. I agree, but those cases are not being relied upon for that purpose, i.e. as conclusive as to the matters at issue in this proceeding; the evidence therein is merely being relied upon to meet an evidential burden, which the Applicant has had the opportunity to counter with further evidence.

[30] I note that the Opponent submits that the statements relied upon in the Avina affidavits are clear admissions against interest and points to the decision in *General Foods v. Sunny Crunch Foods Ltd.* (1987), 15 C.P.R. (3d) 380 (T.M.O.B.) where a certified copy of an affidavit filed in a separate action by Mr. Krushel, an officer of the applicant, was considered in support of the opponent's initial burden. Former Chair Partington stated at page 386 of that decision:

As Mr. Krushel made his affidavit in the capacity of president of the applicant and therefore was, at the time, an officer of the applicant, I consider the certified copy of his affidavit to be admissible against the applicant in this opposition proceeding. While it was open to the applicant in the present opposition either to show that the statements contained in the affidavit were made by Mr. Krushel in ignorance of the facts or to otherwise explain the statement made by Mr. Krushel, no evidence was

adduced by the applicant in his [*sic*] proceeding to support a conclusion contrary to that set forth by Mr. Krushel in his affidavit.

Those comments of Mr. Partington seem transferable to the present situation.

[31] The Applicant's agent protested at the oral hearing that too many inferences are being drawn from the Avina affidavits and stated that she wants clear facts. However, it is the Applicant who has access to the "clear facts", not the Opponent, and that is why an opponent's initial burden under s. 30(b) is light.

[32] I find that the Avina affidavits are admissible and meet the Opponent's light initial burden.

[33] The evidence suggests that the Applicant was not using any trade-mark that included the word CASTILLO in Canada between November 24, 1999 and April 22, 2003. The issue under s. 30(b) is not whether the Applicant had abandoned its Mark as of the application's filing date but simply whether it had continuously used it in the normal course of trade between July 1998 and April 22, 2003. As it appears from the evidence that the Applicant was not using the Mark when it filed the application on April 22, 2003, and had not used the Mark since November 24, 1999, I have concluded that the Opponent has met its light initial burden. The Applicant had ample opportunity to file evidence to counter the conclusion that the Mark was not in use in Canada between November 24, 1999 and April 22, 2003 but chose not to. Therefore the Applicant has not met its legal burden. Accordingly, the s. 30(b) ground succeeds.

Disposition

[34] For the foregoing reasons, 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