



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

Citation: 2010 TMOB 110
Date of Decision: 2010-07-26

**IN THE MATTER OF AN OPPOSITION
by Mark Anthony Properties Ltd. to
application No. 1,225,755 for the trade-
mark XELLENT & Design in the name of
Diwisa Distillerie Willisau SA**

The Pleadings

[1] On August 3, 2004 Diwisa Distillerie Willisau SA (the Applicant) filed an application to register the trade-mark XELLENT & Design, application number 1,225,755 as hereinafter illustrated:



(the Mark)

based on use and registration abroad and on proposed use in Canada. The registration was obtained in Switzerland, the country of origin of the Applicant, on June 25, 2003 under No. 512130 in association with vodka of Swiss origin. Subsequent to an office action the Applicant had to disclaim the exclusive use of the words “SWISS VODKA” and “SWISS MADE”(those words appear above the words SWISS VODKA) as well as the right to the exclusive use of the phonetic equivalent of XELLENT apart from the trade-mark. The application covers vodka of Swiss origin (the Wares).

[2] The application was advertised on August 22, 2007 in the *Trade-marks Journal* for opposition purposes. Mark Anthony Properties Ltd. (the Opponent) filed a statement of opposition on January 17, 2008. The Applicant filed a counter statement on February 29, 2008 denying all grounds of opposition listed below.

[3] The Opponent filed the affidavit of Brian McDonald as its evidence while the Applicant chose not to file any.

[4] Both parties filed written arguments and were represented at an oral hearing.

The Grounds of Opposition

[5] The grounds of opposition pleaded are:

1. The Mark is not registrable under s. 12(1)(d) of the *Trade-marks Act*, R.S.C. 1985 c. T-13 (the Act) because it is confusing with the Opponent’s registered trade-mark no. TMA521,642 for the trade-mark AN EXCELLENT SOURCE OF VODKA;
2. The Applicant is not the person entitled to registration in that, contrary to s. 16(2)(a) and 16(3)(a) of the Act, at the filing date of the application the Mark was confusing with the Opponent’s trade-mark AN EXCELLENT SOURCE OF VODKA and AN EXCELLENT SOURCE OF VODKA & Design both of which were previously used in Canada by the Opponent in association with alcoholic beverages, namely vodka-based coolers;
3. The Mark is not distinctive in that it does not distinguish, and is not adapted to distinguish, the Wares from the wares of others, including the Opponent.
- 4.

Burden of Proof in Trade-marks Opposition Proceedings

[6] 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 adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial onus is met, the Applicant 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.* (1984), 3 C.P.R. (3d) 325; *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company* [2005] F.C. 722].

Registrability of the Mark under s. 12(1)(d)

[7] The relevant date for the analysis of a ground of opposition based on s. 12(1)(d) of the Act is the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424].

[8] The Opponent has met its initial burden by filing, through the affidavit of Mr. McDonald, a certified copy of registration TMA521,642 (exhibit D to his affidavit) for the trade-mark AN EXCELLENT SOURCE OF VODKA. It covers alcoholic beverages, namely vodka-based coolers. I exercised my discretion and checked the register. I confirm that the registration is in good standing.

[9] Therefore I must determine if there exists, on a balance of probabilities, a likelihood of confusion between the Mark and the Opponent's registered trade-mark AN EXCELLENT SOURCE OF VODKA. If the answer is negative, then the Mark can be registered.

[10] The test to decide if there is a likelihood of confusion is set out in s. 6(2) of the Act wherein it is stipulated that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely 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. In making such an assessment I must take into consideration all the relevant surrounding circumstances,

including those listed in s. 6(5) of the Act: the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares, services, or businesses; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them. I refer to the decision of the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 for an analysis of those criteria.

[11] Both marks are weak when used in association with their respective wares as they both refer to vodka. However the Mark is more inherently distinctive than the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA because of its design element.

[12] The distinctiveness of a trade-mark may be enhanced through use or extensive promotion. The Applicant's application is based on proposed use in Canada. The Applicant has elected not to file any evidence. Therefore, I can only conclude that the Mark is not known in Canada.

[13] Mr. McDonald has been the North American Purchasing Manager for Mark Anthony Group Inc. (MAG). He states that the Opponent is the owner of an extensive portfolio of trade-marks which cover a variety of beverage products.

[14] He states that on April 1, 1997 the Opponent entered into a License Agreement with Mark Anthony Brands Ltd (MABL), Mark Anthony Brands Inc. (MABI) and Mark Anthony Cellars Ltd (MAC) with respect to the use of its trade-mark portfolio and its related applications and registrations. The License Agreement was later amended on March 31, 2003 and October 8, 2004. He filed redacted copies of these documents. He states that, prior to entering into the License Agreement, an oral license agreement existed between the parties as they were owned and controlled by the same entity.

[15] On April 1, 2004 MABL and MAC amalgamated as one company under the name of Mark Anthony Cellars Ltd. (MACL). Then MACL changed its name for MAG on April 1, 2005 (hereinafter MAG and its predecessors in title are referred to as Mark Anthony).

[16] He states that Mark Anthony has produced and sold a vodka-based cooler called Mike's Hard Lemonade since at least as early as April 2, 1996. He asserts that Mark Anthony has used a

number of design trade-marks, which depicts the trade-mark AN EXCELLENT SOURCE OF VODKA in association with vodka-based coolers, such as Mike's Hard Lemonade beverage products. The design trade-marks have been printed on bottle labels as well as on the cartons, shippers, and trays that carry the Mike's Hard Lemonade beverage products. He filed representative samples of product labels and packaging used in 1999, 2000 and 2001. He also filed a label, Exhibit F to his affidavit, depicting the manner in which the trade-mark AN EXCELLENT SOURCE OF VODKA is being used since October 31, 2007 in association with vodka-based coolers, such as Mike's Hard Lemonade beverage products.

[17] He states that since 1998, the earliest date for which current computer records could be located, Mark Anthony has sold in excess of \$200 million of Mike's Hard Lemonade beverage products throughout Canada. Since November 2007 the sales have been approximately \$16 million. I note that the deponent did not refer to the trade-mark AN EXCELLENT SOURCE OF VODKA. Finally he filed representative samples of redacted invoices evidencing sales of Mike's Hard Lemonade beverages products throughout Canada for the years 2000 to 2008.

[18] There is no allegation in Mr. MacDonald's affidavit that each vodka-based cooler sold in association with the trade-mark Mike's Hard Lemonade bears the trade-mark AN EXCELLENT SOURCE OF VODKA. Any ambiguity in the Opponent's evidence shall be interpreted against it [see *GWG Ltd. V. Jack Spratt Mfg. Inc.*, (1982), 72 C.P.R. (2d) 93] Therefore I cannot conclude that all those sales can be associated to the trade-mark AN EXCELLENT SOURCE OF VODKA.

[19] The Applicant has raised the issue that the Opponent's evidence does not show use of the trade-mark AN EXCELLENT SOURCE OF VODKA but merely constitutes evidence that the Opponent is using AN EXCELLENT SOURCE OF VODKA as a descriptive slogan of the characteristic of the wares sold by the Opponent in association with its trade-mark Mike's Hard Lemonade. These opposition proceedings are not the appropriate forum to determine the validity of the Opponent's registered trade-mark. However I must rule if there has been proper evidence of use of AN EXCELLENT SOURCE OF VODKA as a trade-mark such that it has become known to some extent in Canada.

[20] The Opponent argues that the samples filed of the packaging [see exhibit E to Mr. McDonald's affidavit] show that the trade-mark AN EXCELLENT SOURCE OF VODKA appears in a handwritten script format on the top of the box with "TM" beside it while the trade-mark Mike's Hard Lemonade is placed on each side of the box . There is an illustration of a label as part of the same exhibit wherein the dominant mark is Mike's Hard Lemonade Iced Tea while AN EXCELLENT SOURCE OF VODKA appears in smaller print underneath, with the word "vodka" circled and the symbol ® in very small print. The use of the symbols "TM" or "®" tends to alert the public that what appears before it is a trade-mark even though such marking is not mandatory in Canada.

[21] A more recent label, used since at least October 31, 2007, has been filed as Exhibit F to Mr. McDonald's affidavit wherein the trade-mark AN EXCELLENT SOURCE OF VODKA appears in a handwritten block letters format in smaller print beside the trade-mark Mike's Hard Lemonade. The same remarks made with respect to the label filed as part of Exhibit E are applicable to this more recent label. I consider the use of both scripts (Exhibits E and F) to be use of the trade-mark AN EXCELLENT SOURCE OF VODKA as the design portion is more associated with the script used such that a consumer familiar with the word mark would not think that the wares sold in association with the design marks would have a different source [see *Canada (Registrar of Trade-marks) v. Cie. Internationale pour l'informatique CII Honeywell Bull, S.A.* (1985), C.P.R. (3d) 523]

[22] In all, there remains some evidence of use of the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA as a trade-mark and I refer to the packaging filed as part of Exhibit E and F to Mr. McDonald's affidavit. These labels were in use in 1999, 2000 and 2001 and since October 31, 2007. We do not have detailed information on the extent of such use. Therefore it is difficult to assess, as of this date, the extent to which the trade-mark AN EXCELLENT SOURCE OF VODKA would be known to Canadians as there is no evidence of proper use, as a trade-mark, from 2002 to October 31, 2007. Consequently I conclude that, overall, the first factor described under s. 6(5) of the Act does not favour any of the parties.

[23] There is no evidence of use of the Mark by the Applicant. The Opponent argues that its trade-mark AN EXCELLENT SOURCE OF VODKA has been in use since at least as early as 1998.

[24] I have no evidence of use of the trade-trade-mark AN EXCELLENT SOURCE OF VODKA between 2002 and October 31, 2007. Mr. McDonald, in paragraph 13 of his affidavit, states that since 1998 the Opponent has sold Mike's Hard Lemonade products throughout Canada. In paragraph 9 of his affidavit, he alleges that the Opponent has used a number of design trade-marks, which depicts the trade-mark AN EXCELLENT SOURCE OF VODKA in association with alcoholic beverages, namely vodka-based coolers, such as Mike's Hard Lemonade. As stated earlier, he does not allege that the trade-mark AN EXCELLENT SOURCE OF VODKA has always appeared on each of the bottles or the packaging of vodka-based coolers sold in Canada in association with the trade-mark Mike's Hard Lemonade.

[25] Based on the evidence before me, I conclude that the second factor listed under s. 6(5) favours the Opponent but not to the extent that the Opponent would like it to be, as I have no concrete evidence of use of the trade-mark AN EXCELLENT SOURCE OF VODKA in Canada in association with vodka-based coolers from 2002 to 2007 inclusively.

[26] The Applicant admits in its written argument that both parties sell alcoholic beverages. However it argues that the parties' respective products are different: vodka-based coolers versus vodka of Swiss origin. I agree with the Opponent's position that they are part of one industry: alcoholic beverage industry. There is no evidence regarding the parties' channels of trade used to sell those products. However, in view of the general nature of the parties' respective wares, I presume, in the absence of evidence to the contrary, that the parties' wares could be offered for sale through the same channels of trade. Those factors favour the Opponent.

[27] The degree of resemblance between two trade-marks is one of the most important criteria when assessing the likelihood of confusion between them [see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980), 47 C.P.R. (2d) 145]. One must look at the marks in their totality and should not dissect each one of them into their component parts.

[28] The word portion of the mark is XELLENT SWISS MADE SWISS VODKA. The Applicant tried to argue that the pronunciation of the coined word XELLENT would be different than the word “excellent”, a French and English word. However I have no evidence on the pronunciation of that coined word. The parties’ trade-marks, as a whole are visually different. The similarities between the parties’ trade-marks are caused by the presence of the word XELLENT as opposed to EXCELLENT and the word VODKA, a descriptive term. Even assuming that a consumer could associate the element XELLENT to the word “excellent”, the meaning of the parties’ trade-marks would still be different. The Mark suggests that the Wares are excellent vodka of Swiss origin while the Opponent’s trade-mark means that the vodka-based coolers are an excellent source of vodka. Finally the Mark has a distinctive design portion.

[29] Overall I conclude that the marks at issue do not resemble to one another. This factor clearly favours the Applicant.

[30] There are no additional relevant circumstances to take into consideration.

[31] Applying the test of the imperfect recollection of an average consumer of the Opponent’s trade-mark AN EXCELLENT SOURCE OF VODKA used in association with vodka-based coolers, and being exposed to vodka of Swiss origin bearing the Mark, I do not think that, on a balance of probabilities, such consumer could associate the Opponent as the source of origin of the Wares. I reach this conclusion based on the facts that the Opponent’s trade-mark is not inherently distinctive and as such it could not be afforded a wide ambit of protection. Additionally the Mark does not resemble the Opponent’s trade-mark AN EXCELLENT SOURCE OF VODKA visually, phonetically, and does not have the same meaning. For these reasons I dismiss the first ground of opposition.

Entitlement

[32] As the present application is based on proposed used and use and registration abroad, entitlement to the registration of the Mark must be assessed at the filing date of the application. The Opponent must demonstrate that its trade-mark has been used or made known in Canada prior to the filing date of the Applicant’s application and that it has not abandoned such use as of the advertisement date of this application [see s. 16(5) of the Act].

[33] As discussed above, the Opponent has established use of its trade-mark AN EXCELLENT SOURCE OF VODKA in association with vodka-based coolers for the years 1999, 2000 and 2001. There is no evidence of use of that trade-mark since then until October 31, 2007 [see Exhibit F to Mr. McDonald]. The Opponent argues that the invoices filed as Exhibit G to Mr. McDonald's affidavit show use of the trade-mark AN EXCELLENT SOURCE OF VODKA since 2002. However these invoices reflect the sale of Mike's Hard Lemonade. As previously noted, there is no allegation in Mr. McDonald's affidavit that each vodka-based cooler sold by the Opponent in association with the trade-mark Mike's Hard Lemonade also bears the trade-mark AN EXCELLENT SOURCE OF VODKA. In the absence of evidence to that effect, I cannot assume that this was the case. In view of the long period of time of non use of its trade-mark AN EXCELLENT SOURCE OF VODKA and that any evidence of its recent use is after the relevant date (Exhibit F to Mr. McDonald's affidavit), I reach the conclusion that the Opponent failed to meet its initial onus with respect to this ground of opposition.

[34] Should I be wrong in concluding that the Opponent failed to meet its initial onus, the next issue would be to determine if the Mark is confusing with the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA. Even though the relevant date is different than the one associated with the ground of opposition of registrability, the results of my analysis of the various criteria under s. 6(5) of the Act, to determine the likelihood of confusion between the parties respective trade-marks, would have been the same.

[35] For all these reasons I also dismiss the second ground of opposition.

Distinctiveness

[36] The relevant date for distinctiveness is generally accepted to be the date of filing of the statement of opposition [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317].

[37] To meet its initial onus under the third ground of opposition the Opponent had to prove that its trade-mark AN EXCELLENT SOURCE OF VODKA had become sufficiently known at that relevant date to negate any distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.*

(1981), 56 C.P.R. (2d) 44 at 58]. Once this burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was not likely to create confusion with the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA such that it was adapted to distinguish or actually distinguishes the Wares from the Opponent's wares throughout Canada [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272].

[38] Even if I conclude that the Opponent's evidence described under the first ground of opposition establishes that the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA was sufficiently known in Canada at the relevant date, the ground of opposition essentially turns on the issue of likelihood of confusion between the parties' trade-marks as of the filing date of the statement of opposition. The difference in the relevant dates with the registrability ground of opposition is not a determining factor in this case. The analysis of the criteria under s. 6(5) of the Act would generate the same result.

[39] Under these circumstances I find that the Applicant's Mark was distinguishing the Applicant's Wares and was able to distinguish them as it was not confusing with the Opponent's trade-mark AN EXCELLENT SOURCE OF VODKA at the relevant date. Thus, the last ground of opposition is also dismissed.

Disposition

[40] Pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office