

**IN THE MATTER OF AN OPPOSITION  
by Molson Breweries, A Partnership to  
application No. 507,056 for the trade-mark  
LABATT CANADIAN LIGHT ALE & Design  
filed by John Labatt Limited**

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**On July 21, 1983, John Labatt Limited filed an application to register the trade-mark LABATT CANADIAN LIGHT ALE & Design (illustrated below) for "alcoholic brewery beverages" based on proposed use by a proposed registered user. The application was amended to include a disclaimer to the eleven-pointed maple leaf and all of the reading matter. The application was advertised for opposition purposes on March 14, 1984.**

**The Molson Companies Limited filed a statement of opposition on April 5, 1984, a copy of which was forwarded to the applicant on May 3, 1984. Leave was subsequently granted pursuant to Rule 42 of the Trade-marks Regulations on December 14, 1984 and June 9, 1989 to amend the statement of opposition. As a consequence of an assignment of trade-mark rights, the opponent currently of record is Molson Breweries, A Partnership.**

**The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the opponent's trade-marks MOLSON'S CANADIAN LAGER BEER and MOLSON CANADIAN & Design (illustrated below) registered under Nos. 123,687 and 139,874 respectively for "alcoholic brewery beverages."**

**The second ground is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with (1) the opponent's two registered trade-marks previously used in Canada, (2) the opponent's previously used trade-mark CANADIAN for which an application had previously been filed on December 10, 1971 under serial No. 348,551 and (3) the opponent's previously used trade-mark MOLSON CANADIAN & Design (illustrated below) for which an application had previously been filed on November 2, 1976 under serial No. 403,771.**

**The third ground of opposition is that the applied for trade-mark is not distinctive in view of the opponent's use of its trade-marks and in view of the use of confusing trade-marks by companies associated with or related to the applicant. The fourth ground is that the application does not comply with Section 30(b) of the Act because the applicant or its predecessors in title used the applied for trade-mark prior to the filing date.**

**The applicant filed and served a counter statement on June 4, 1984 and a revised**

counter statement on January 11, 1985. As its evidence, the opponent filed (1) certified copies of its two registrations and its application No. 403,771, (2) an affidavit of Harold J. Moran, (3) an affidavit of David J. Pye and (4) photocopies of 29 affidavits filed by the opponent as applicant in support of its claim to the benefit of Section 12(2) of the Act in its application (No. 348,551) for the trade-mark CANADIAN. The opponent asked that the photocopies be treated as equivalent to certified copies in view of the unavailability of the Trade-marks Office file. The applicant did not object.

The applicant's evidence consists of the affidavits of Ronald T. Ziola and Bernard Beasley. Mr. Beasley was cross-examined on his affidavit and the transcript of that cross-examination and the subsequently filed undertakings form part of the record of this proceeding. As evidence in reply, the opponent filed two affidavits of Margaret Swain. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

As a preliminary matter, the applicant objected to the photocopies of the 29 affidavits from application No. 348,551 filed by the opponent. The applicant agreed that the photocopies could be treated as equivalent to certified copies but submitted that this did not make them admissible for the truth of their contents; it only served to establish that those affidavits were filed in respect of the opponent's trade-mark application. I agree. Presumably, it was open to the opponent to file original affidavits directed to the same subject matter as the copies. In any event, the copies of the old affidavits (certified or otherwise) do not qualify as an exception to the hearsay rule in this case: see the opposition decision in Speedo Knitting Mills v. Christina Canada Inc. (1986), 11 C.P.R.(3d) 529 at 535 ff. Even if I were to consider the content of the 29 photocopied affidavits, they would be of little or no relevance to the issues in the present proceeding since they relate to matters arising in 1977 or earlier.

As a further preliminary matter, the opponent objected to the Ziola affidavit on the basis that its single exhibit is a videocassette that cannot be readily viewed at the Trade-marks

Office and on the basis that it is not clear that Mr. Ziola taped the six MOLSON CANADIAN television commercials that are on the videocassette. I see no merit in either of the opponent's objections. It was open to anyone to make a copy of the exhibit to the Ziola affidavit. Furthermore, Mr. Ziola states that the commercials he viewed on television were the ones appearing on the videocassette. Thus, it matters little whether or not he was the one who actually taped the commercials.

As for the fourth ground of opposition, there was a burden on the opponent to adduce at least some evidence pointing to the applicant's non-compliance with Section 30(b) of the Act. Since the opponent failed to file any evidence directed to that issue, I find that the fourth ground is unsuccessful.

As for the second aspect of the opponent's third ground of opposition, the opponent has alleged that the applicant's mark is not distinctive in view of the use of similar marks by parties associated with or related to the applicant. However, the material time for considering the circumstances respecting this particular aspect of the issue of non-distinctiveness is as of the filing of the further revised opposition (i.e. - May 9, 1989) when this ground was raised for the first time: see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.).

The only potentially relevant evidence on point is a single newspaper advertisement of a LABATT beer product on January 29, 1994 identifying Labatt Brewing Company Ltd. in small print at the bottom of the ad as the trade-mark owner. That ad was placed well after the material time and is therefore of no relevance to the issue at hand. Even if it were, there is no evidence as to the circulation of that ad and thus there is no indication of any reputation associated with the mark LABATT in the hands of this other company.

The opponent contended that the Beasley affidavit and the second Swain affidavit also point to non-distinctive use of confusing trade-marks by companies related to the applicant.

Those affidavits establish that the applicant itself did not brew or sell beer at any time relevant to this proceeding, any sales of LABATT products being made by subsidiary companies. Although the Beasley affidavit is vague and deficient in some respects, it does establish that the subsidiary companies in question were recorded as registered users of the applicant's registered LABATT trade-marks at the relevant time. Thus, use of those marks by the subsidiary companies accrued to the benefit of the applicant under the old registered user scheme and therefore could not affect the distinctiveness of the applied for mark. The second aspect of the non-distinctiveness ground is therefore unsuccessful.

The remaining grounds of opposition all turn on the issue of confusion between the applicant's mark and the opponent's various marks comprising or including the word "Canadian." The opponent's strongest ground is the ground of prior entitlement based on prior use of its trade-mark CANADIAN and its previously filed application for that mark. A consideration of that ground will therefore effectively decide the outcome of the remaining grounds of opposition.

As for the ground of prior entitlement, the opponent has met its burden by establishing the filing of its trade-mark application No. 348,551 prior to the applicant's filing date and the use of its trade-mark CANADIAN for beer prior to that date. Furthermore, the opponent's application was pending as of the applicant's advertisement date and the opponent had not abandoned its trade-mark CANADIAN as of that date. Thus, the ground of prior entitlement remains to be decided on the issue of confusion between the opponent's mark CANADIAN and the applicant's proposed mark. In view of the clear wording of Section 16(3) of the Act, the material time for considering the circumstances respecting this issue is as of the applicant's filing date (i.e. - July 21, 1983). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the opponent's trade-mark is inherently very weak. The opponent itself has recognized this fact by including a disclaimer to the word CANADIAN in its two registrations relied on in this proceeding. Furthermore, the opponent's own advertisements underscore this conclusion since they include descriptive uses of the word "Canadian" in relation to beer (see the Moran and Ziola affidavits). As stated by Mr. Justice Strayer at page 195 of the Trial Division decision in Molson Companies Ltd. v. Carling Breweries Ltd. (1988), 19 C.P.R.(3d) 129 (F.C.A.); affg. (1984), 1 C.P.R.(3d) 191 (F.C.T.D.); revg. (1982), 70 C.P.R.(2d) 154 (T.M.O.B.):

It is common ground that the mark CANADIAN is now clearly descriptive of the place of origin of beer made in Canada.

In fact, Mr. Justice Strayer found that the opponent's trade-mark CANADIAN was such a weak mark that even despite the significant evidence filed by the opponent as applicant in that case, the standard set by Section 12(2) of the Act had not been met. As stated at page 197 of the Trial Division decision:

There are various authorities to the effect that where one must prove that a normally descriptive word has acquired a secondary meaning so as to make it descriptive of a particular product, the onus is indeed heavy.....In my view, this is particularly true where the word is one such as "Canadian" which is first and foremost, legally and factually, an adjective describing any citizen of this country, and more particularly for present purposes any product of any sort having its point of origin in this country. As used in conjunction with the word "beer" it is capable of describing any such malt beverage produced in Canada by any brewer.

The Federal Court of Appeal specifically approved of the above passage at page 130 of their decision.

However, as noted by the opponent's agent, the present case is not about an attempt by the opponent to register its trade-mark CANADIAN but is rather an opposition to the registration of another party's mark based on prior use of the opponent's mark. In this regard, the Moran and Pye affidavits establish that the opponent's trade-mark CANADIAN has become known to a significant extent throughout Canada in association with beer although I do not consider the mark to be particularly distinctive in fact in view of its inherent weakness. Furthermore, I consider that the extent to which the opponent's trade-mark

**CANADIAN has become known in Canada is diminished to some extent in view of the fact that the opponent's evidence shows that the mark CANADIAN has almost always been used in association with the opponent's house mark MOLSON or MOLSON'S followed by descriptors such as "beer" or "lager."**

**The opponent contended that the survey evidence introduced by the Pye affidavit shows that, with respect to beer, the mark CANADIAN is almost exclusively associated in the public's mind with the opponent. However, the opponent's survey has a number of flaws and shortcomings. The Chairman of the Trade Marks Opposition Board recently had occasion to review a similar affidavit of Mr. Pye in Molson Companies Ltd. v. Swan Brewery Co. Ltd. (1994), 58 C.P.R.(3d) 303 respecting the opponent's mark EXPORT which was studied by Mr. Pye's company at the same time as the mark CANADIAN. Mr. Partington found the survey results introduced by that Pye affidavit were admissible but he went on to state at page 310 of the reported decision as follows:**

**In paragraph 14 of his affidavit, Pye expresses his opinion that he is satisfied that his report containing his findings and analysis [Exhibit 2 to his affidavit] is statistically correct and accurate. However, while the findings at pages 7 to 9 of Exhibit 2 may be accurate, I have concluded that there are ambiguities in the possible interpretation of these findings, thus affecting the reliability of the results of the survey. In particular, in identifying the results under the first heading in the findings as "TYPE OF BEER", the applicant submitted that this refers to a "kind of beer", such as ale, bock, lager, pilsner or porter, whereas the opponent submitted that it was another way of referring to a "brand of beer". As both of these interpretations of the result are valid, the result obtained must be considered as being ambiguous. I also agree with the applicant's submission that the result under the heading "REFERENCES TO MOLSON", which indicated that the first impressions of 22.5% of respondents was by reference to MOLSONS, is unclear as to whether the respondents are identifying EXPORT as a trade-mark separate and apart from the house mark Molson or Molson's.....Having regard to these ambiguities in the findings and the above-noted deficiencies discussed in the Birra Peroni opposition, I have concluded that little weight can be accorded the Pye affidavit in this proceeding.**

**Similar comments can be made respecting the Pye affidavit of record in the present case although it should be noted that the "REFERENCES TO MOLSON" result in the CANADIAN survey is reported as 39% of the responses. Also of note is the fact that the survey was only conducted in four locations in Ontario and therefore the results cannot**

necessarily be extrapolated to the rest of Canada. Furthermore, as noted by the applicant, the survey results must also be given reduced weight since the opponent did not provide direct evidence from the interviewers who conducted the survey or from their supervisors. In summary, I cannot give great weight to the Pye affidavit. In any event, its only purpose can be to emphasize the extent to which the opponent's mark has become known in Canada (or at least in Ontario) and I have already concluded that the mark has become known to a significant extent in view of the Moran affidavit. As submitted by the applicant, the survey does not deal with the issue of whether or not consumers would confuse the marks at issue in this opposition.

The applicant's proposed mark is inherently distinctive although it is not inherently strong in view of the inclusion of the surname Labatt and words describing the product. Since the application was based on proposed use, I must conclude that the applicant's mark had not become known at all in Canada as of the material time.

The length of time the marks have been in use favors the opponent since the applicant's application is based on proposed use. The wares and trades of the parties are the same.

As for Section 6(5)(e) of the Act, I consider that there is at least some resemblance between the marks at issue because the applicant's mark includes the opponent's mark CANADIAN as one of its elements. However, as noted by Mr. Justice Strayer, the word "Canadian" is inherently very weak and is capable of describing any beer produced in Canada by any brewer. In the context of the applicant's mark, the word "Canadian" is a relatively minor component and is used in conjunction with the words "light ale" in the same size and style of script to describe what the applicant's product is, namely a Canadian light ale. The applicant's mark is dominated by its house mark LABATT which is the element of the mark which consumers would center on to identify the source of the beer. The words "Canadian light ale" would simply inform consumers as to the nature of the product and would not, in the context of the applicant's mark, point to the opponent as the source of the beer. The opponent's own survey evidence is some support for this conclusion since more than



**60% of the first responses to CANADIAN for beer were other than Molson, some of those responses being to other brewers including Labatt.**

**It is apparent that the opponent has not yet shown a sufficient reputation for its trademark CANADIAN for beer to exert exclusive rights throughout Canada. But even if the opponent had a registration for that mark, it is not apparent that there is a sufficient degree of resemblance between that mark and the applicant's mark to preclude registration for the latter. The words "Canadian light ale" are a minor component of the applicant's mark and are a fair and presumably accurate description of the applicant's wares. Thus, as a matter of first impression, it is highly unlikely that any consumer (even one familiar with the opponent's MOLSON CANADIAN product), would assume that the applicant's beer emanated from the opponent.**

**In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of the above, and particularly in view of the inherent weakness of the opponent's mark and the low degree of resemblance between the marks at issue, I find that they are not confusing. Thus, the ground of prior entitlement based on the opponent's application for and prior use of its mark CANADIAN is unsuccessful.**

**In view of my earlier comments, it also follows that the opponent's remaining grounds are also unsuccessful insofar as they rely on allegations of confusion with one or more of the opponent's marks.**

**In view of the above, I reject the opponent's opposition.**

**DATED AT HULL, QUEBEC, THIS 22<sup>nd</sup> DAY OF NOVEMBER, 1995.**

**David J. Martin,**

**Member,  
Trade Marks Opposition Board.**