



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

Citation: 2014 TMOB 101
Date of Decision: 2014-05-14

**IN THE MATTER OF AN OPPOSITION
by Bedessee Imports Ltd. and Banks DIH
Limited to application No. 1,172,524 for
the trade-mark DEMERARA in the name
of Demerara Distillers Limited**

[1] This is a decision concerning the opposition brought under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 by Bedessee Imports Ltd. and Banks DIH Limited against application No. 1,172,524, filed by Demerara Distillers Limited for the registration of the trade-mark DEMERARA in association with “rum”.

[2] For the reasons that follow, the application shall be refused.

The Application

[3] Demerara Distillers Limited (the Applicant) applied to register the trade-mark DEMERARA (the Mark) in association with “rum” on the dual basis of use of the Mark in Canada since at least as early as 1939 and use and registration of the Mark in the United States.

[4] The application, filed on March 27, 2003, was amended twice during examination by the Canadian Intellectual Property Office (CIPO). The latest amended application is dated July 23, 2009. It is solely based upon use of the Mark in Canada since at least as early as 1939 and claims the benefit of section 12(2) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).

[5] During examination of the application by CIPO, the Examiner objected to the registration of the Mark under section 12(1)(b) of the Act. More particularly, the Examiner considered the Mark “to be clearly descriptive or deceptively misdescriptive of the character of the associated wares, namely that they comprise Demerara rum, a type of dark rum from Guyana”.

[6] There was an approximate period of six years between the time of the Examiner’s objection and the approval of the application for advertisement. Suffice it to say that further to the Examiner’s objection, the Applicant claimed the benefit of section 12(2) of the Act. Section 12(2) of the Act provides that a trade-mark that is not registrable under section 12(1)(b) of the Act is registrable if it has been so used in Canada by an applicant or a predecessor in title as to have become distinctive at the filing date of the application for its registration. In support of its claim to the benefit of section 12(2) of the Act, the Applicant submitted evidence consisting in the affidavits of Ramona Vansluytman, sworn June 8, 2004, and of Komal Samaroo, sworn October 21, 2008.

[7] On the strength of the Applicant’s evidence, the Examiner considered that the Mark had become distinctive only in Ontario and withdrew the objection raised under section 12(1)(b) of the Act. The Examiner informed the Applicant that the registration for the Mark would be limited to the province of Ontario, and this was accepted by the Applicant.

The Opposition Proceeding

[8] Bedessee Imports Ltd. (Bedessee) filed a statement of opposition on March 5, 2010. The Applicant filed a counter statement on May 17, 2010. Banks DIH Limited (Banks) was added as an opponent through an amended statement of opposition dated November 8, 2010. Leave to file the amended statement of opposition was granted by the Registrar on February 8, 2011. The term “Opponents” used throughout my decision is a collective reference to Bedessee and Banks.

[9] The grounds of opposition are detailed in Schedule “A” to my decision. They are premised on allegations that:

- the Applicant did not use the Mark as a trade-mark since the date claimed;

- the Applicant could not have been satisfied that it was entitled to use the Mark in Canada;
- the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the wares;
- the Mark is the name of the wares; and
- the Mark is not distinctive of the Applicant's wares.

[10] The Opponents filed as their evidence the affidavits of Rayman Bedessee, Vice-President of the co-opponent Bedessee, and of Terrence I. Bynoe, Company Secretary of the co-opponent Banks. Both affiants were cross-examined. The transcript of each cross-examination, the exhibit thereto as well as reply to undertakings given during the cross-examination of Mr. Bynoe are of record.

[11] The Applicant filed as its evidence the affidavits of Yesu Persaud, Chairman of the Applicant, and of Komal Samaroo, Managing Director of the Applicant. The Opponents obtained an order for the cross-examination of both affiants, but only cross-examined Mr. Samaroo. The transcript of his cross-examination is of record. While the Applicant sought leave to file an affidavit of Jennifer Stecyk as further evidence, this request was refused by the Registrar [see ruling of March 5, 2013].

[12] Both parties filed written arguments and were represented at a hearing.

Legal Onus and Evidential Burden

[13] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition of record. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponents to prove the facts inherent to their pleadings. The presence of an evidential burden on the Opponents means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155

(FCA); and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FC)].

The Issues

[14] The issues arising from the grounds of opposition, although not in order of pleadings, are:

- Was the Mark clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant's wares at the filing date of the application?
- Is the Mark the name of the Applicant's wares?
- Had the Applicant been using the Mark as a trade-mark in Canada as of the filing date of the application?
- Could the Applicant have been satisfied of its entitlement to use the Mark in Canada at the filing date of the application?
- Was the Mark distinctive of the Applicant's wares as of the filing date of the statement of opposition?

Preliminary Observations

[15] Given the evidence provided by the parties, I wish to make some observations before analysing the issues. At the same time, I will address submissions from the parties.

The Parties

[16] According to Mr. Samaroo's testimony, the Applicant is one of the world's leading distillers of high quality rums and the largest supplier of bulk rums and alcohols from the Caribbean to brand owners in Europe and North America. Its business name and the Mark are derived from the name of Demerara County, which is the county of Guyana where the Applicant is based [Samaroo affidavit, para. 2 and 4]. The Applicant "is the sole producer of DEMERARA brand rum, in both bottled and bulk form, for the Canadian market"; this rum is produced by the Applicant in its distilleries in Guyana [Samaroo affidavit, para. 11].

[17] The co-opponent Bedessee is a Canadian company whose head office is located in the Toronto area [Bedessee cross-examination, Q10-Q12]. According to Mr. Bedessee's testimony,

Bedessee sells a wide range of food and beverages, but it does not sell alcoholic beverages [Bedessee affidavit and cross-examination, para. 2 and Q18-Q20].

[18] According to Mr. Bynoe's testimony, the co-opponent Banks is active in the food, beverage and banking industries, as well as hotels and restaurants operation. The head office of Banks is located in Georgetown, county of Demerara, Guyana [Bynoe affidavit, para. 3]. Banks' beverages include rum. Mr. Bynoe explains that Banks is a blender of rum, i.e. it purchases raw rum from rum producers and then blends it into products that it bottles and sells under trade-marks such as D'AGUAIR and XM [Bynoe affidavit and cross-examination, para. 4 and Q55-Q63].

[19] The parties are not strangers. Indeed, the evidence establishes the following:

- prior to November 2007, Banks purchased its raw rum from the Applicant [Bynoe affidavit and cross-examination, para. 4 and Q64; and Samaroo affidavit, para. 13];
- Messrs. Persaud and Samaroo attended two meetings of the West Indies Rum & Spirits Producers' Association Inc. (WIRSPA) in 2011 that were also attended by Mr. Robert Sugdeo on behalf of Banks [Bynoe cross-examination, Exhibit 1; and Persaud affidavit, Exhibits "A" and "B"]; and
- the Applicant opposed application No. 1,206,738 filed by Bedessee for the registration of the trade-mark DEMERARA GOLD for "sugar, glucose, rice, coconut oil" [Bedessee affidavit, para. 16 and Exhibits "F" and "G"].

The Persaud Affidavit

[20] The affidavit purports to provide evidence of discussions that took place during the WIRSPA meetings held in 2011, which I have mentioned above.

[21] I will not comment on the Opponents' oral argument that by filing the Persaud affidavit the Applicant inappropriately attempts to discredit Mr. Sugdeo, which the Applicant denied. However, I agree with the Opponents that the affidavit is not relevant in the context of the case

before me. I would add that except for summarizing its content, the Applicant did not make any submissions about the relevancy of the affidavit in this proceeding.

Opposition by the Applicant to Application No. 1,206,738 Filed by Bedessee

[22] Mr. Bedessee files certified copies of the statement of opposition, dated February 22, 2005, and written argument, dated August 10, 2009, filed by the Applicant in the context of its opposition to application No. 1,206,738 filed by Bedessee for the registration of the trade-mark DEMERARA GOLD [Exhibits “F” and “G”]. The Opponents point to statements made by the Applicant in these documents and request that these statements be treated as admissions against interest. I note that the statements referenced by the Opponents are part of the allegations contained in the pleadings of the section 30(i) grounds of opposition raised in this proceeding and are reproduced in Schedule “A” of my decision.

[23] The Applicant contests the Opponents’ request. It submits that pleadings filed or statements made in the context of a proceeding involving different parties and a different mark should not be regarded as relevant. I agree with the Applicant that there are differences between the opposition proceeding to application No. 1,206,738 and the present proceeding.

[24] Indeed, the grounds of opposition are not identical. For instance, the statement “DEMERARA is a region of Guyana with a reputation for sugar and products derived from sugar including rum” was made in the context of a ground of opposition based upon sections 12(1)(e) and 10 of the Act; this is not a ground of opposition in this case. Also, Bedessee sought registration of the trade-mark DEMERARA GOLD in association with “sugar, glucose, rice, coconut oil” based on use in Canada since at least as early as January 1984 whereas the Applicant is seeking registration of the trade-mark DEMERARA in association with “rum” based on use in Canada since at least as early as 1939. Finally, I find that there is merit to the Applicant’s submissions that the parties to the proceedings are different as this opposition was brought jointly by Bedessee and Banks whereas the application for the trade-mark DEMERARA GOLD was filed by Bedessee.

[25] In the end, I find it is unnecessary to decide whether or not the statements made by the Applicant in the statement of opposition and written argument filed in context of its opposition to

application No. 1,206,738 should be treated as admissions against interest as I conclude that the Opponents' request is a moot point. Indeed, it is my understanding that the Opponents submit that the Applicant's statements are relevant to the assessment of the two grounds of opposition raised under section 30(i) of the Act because the Opponents contend that the filing date of the latest amended application, i.e. July 23, 2009, is the material date to assess these grounds of opposition. However, as I will discuss later on when analysing the issue arising from the grounds of opposition based on section 30(i) of the Act, I consider that the material date is the filing date of the application, i.e. March 27, 2003. Since the statement of opposition and written argument filed by the Applicant are dated February 22, 2005 and August 10, 2009 respectively, I conclude that the statements referenced by the Opponents are found in documents that are subsequent to the material date.

[26] In concluding on the opposition to application No. 1,206,738, I note that except for referencing the serial number of the registration that issued from the application, the parties did not mention the outcome of the proceeding. In any event, I am aware of the decision *Demerara Distillers Ltd v Bedessee Imports Ltd*, 2011 TMOB 101 in which the Registrar rejected the opposition to the application.

Opposition Proceedings Between Bedessee and Guyana Sugar Corporation

[27] Mr. Bedessee also references the opposition brought by Guyana Sugar Corporation (Guyana Sugar) to Bedessee's application No. 1,206,738 for DEMERARA GOLD and the opposition brought by Bedessee to Guyana Sugar's application No. 1,265,099 for DEMERARA CRYSTALS & Design. He provides copies of materials allegedly filed as exhibits to a cross-examination of a deponent of Guyana Sugar and/or as exhibits to his affidavit in these opposition proceedings [Bedessee affidavit, para. 17 and 18 and Exhibits "H" and "I"].

[28] The Opponents rightly submit that the Applicant did not cross-examine Mr. Bedessee on this evidence. Still, in my view the absence of cross-examination does not prevent me from assessing the value or weight of the evidence introduced by an affiant.

[29] In the end, I agree with the Applicant that this evidence should be disregarded because it relates to opposition proceedings involving different parties and different trade-marks.

Evidence Filed During the Prosecution of the Application for the Mark

[30] As I previously indicated, the Applicant furnished the affidavits of Ramona Vansluytman and Komal Samaroo as evidence of acquired distinctiveness of the Mark under section 12(2) of the Act during the prosecution of the application.

[31] At paragraph 55 of its written argument, the Applicant references part of the “evidence accepted by the Registrar during the prosecution of the instant application”. However, if the Applicant wanted to rely on this evidence, it had to submit it during the opposition. In that regard, I refer to the following comments of Mr. Justice Strayer in *Molson Breweries Partnership v Canada (Registrar of Trade Marks)* (1992), 41 CPR (3d) 234 (FCTD) at 241:

Given then that the final decision of the Registrar as to whether registration is allowable, including the validity of a distinctiveness claim under subsection 12(2), must be made by the Registrar through the opposition process, it follows that any evidence which the applicant wishes to have considered by the Registrar for purposes of his subsection 12(2) claim must be presented in the opposition process and be subject to challenge there by the opponent. Any other result would be contrary to common law requirements of *audi alteram partem*.

[32] Accordingly, I will not have regard to the affidavit of either Mr. Samaroo or Ramona Vansluytman filed during the prosecution of the application for the Mark.

[33] I note that the Opponents, through the Bedessee affidavit, filed a certified copy of the affidavit of Ramona Vansluytman and exhibits thereto filed during the prosecution of the application [Bedessee affidavit, para. 4 to 7 and Exhibit “A”]. I will return to the value of this evidence in the analysis of the issues, if necessary.

[34] Finally, it should be noted that I am not bound by the Examiner’s decision of accepting the evidence of acquired distinctiveness of the Mark in the province of Ontario. Indeed, decisions by the Examination Section of CIPO are not binding and have no precedential value in determining the registrability of a trade-mark in opposition proceedings [see *Thomas J. Lipton Inc v Boyd Coffee Co* (1991), 40 CPR (3d) 272 (TMOB) and *Procter & Gamble Inc v Morlee Corp* (1993), 48 CPR (3d) 377 at 386 (TMOB)]. Also, the burden on an applicant during examination is different from its burden during an opposition proceeding.

Analysis of the Issues

[35] I turn to the analysis of the issues taking into account my preliminary observations.

Was the Mark Clearly Descriptive or Deceptively Misdescriptive of the Character or Quality of the Applicant's Wares at the Filing Date of the Application?

[36] This issue arises from the ground of opposition alleging that the Mark is not registrable under section 12(1)(b) of the Act because it is clearly descriptive or deceptively misdescriptive in the English language of the character or quality of rum.

[37] The material date to assess the ground of opposition raised under section 12(1)(b) of the Act is the filing date of the application, namely March 27, 2003 [see *Fiesta Barbeques Limited v General Housewares Corporation* (2003), 28 CPR (4th) 60 (FC)].

[38] The purpose of the prohibition in section 12(1)(b) of the Act is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [*Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD)].

[39] I will start my analysis of the issue by first commenting on the Opponents' pleading.

[40] The Opponents have pleaded the ground of opposition by essentially reproducing the wording of section 12(1)(b) of the Act, in that there are no allegations as to why or how they consider the Mark to be clearly descriptive or deceptively misdescriptive of the character or quality of rum. However, no particulars had been requested by the Applicant prior to the filing of evidence. Furthermore, considering the circumstances of this case and the Opponents' evidence, I conclude that the Applicant could understand that the Opponents allege that the Mark clearly describes the quality or character of the Applicant's rum by virtue of clearly describing a type of dark-coloured rum from Guyana. I wish to stress, however, that I agree with the Applicant's oral argument that the pleading does not encompass an allegation that the Mark is clearly descriptive of the place of origin of the Applicant's rum.

[41] I now turn to the Applicant's observation that its claim to the benefit of section 12(2) of the Act was not challenged in the statement of opposition. In that regard, the Applicant at the hearing directed my attention upon the following comments of Member Martin in *Healthy, Happy, Holy Yoga Foundation v Maharishi International Trade-marks Corp* (1983), 74 CPR (2d) 186 (TMOB) at 192:

During the course of the oral hearing, the agent for the opponent made reference to s. 12(1)(b) of the Act and questioned the adequacy of the affidavit evidence filed by the applicant in support of its claim to the benefit of s. 12(2) of the Act. Initially, I would note that the opponent has not relied on s. 12(1)(b) of the Act as a ground of opposition. Secondly, I would note that the opponent did not indicate in its statement of opposition that it would be challenging the applicant's s. 12(2) claim. Thus, although I may not necessarily be precluded from reconsidering a s. 12(2) claim in every case, a prerequisite to such a reconsideration is that the opponent raise such an attack in its statement of opposition... [My underlining]

[42] This proceeding is distinguishable from the cited case where the opponent did not raise a section 12(1)(b) ground of opposition. In any event, for the reasons that follow, I disagree with the Applicant's argument that its claim to the benefit of section 12(2) of the Act cannot be at issue.

[43] While I acknowledge that the Opponents did not explicitly challenge the section 12(2) claim in their statement of opposition, it is apparent that the Applicant has always been aware that the claim was in issue. Indeed, in its counter statement the Applicant denied the allegation that the Mark was not registrable under section 12(1)(b) of the Act having regard to its reliance on section 12(2) of the Act and the filing of evidence of acquired distinctiveness. Likewise the Applicant's written argument references the evidence of acquired distinctiveness filed during the prosecution of the application. Clearly, the reasoning of Mr. Justice Strayer at pages 241-242 in *Molson Breweries Partnership, supra*, applies in this proceeding:

... In the present case it seems clear that the applicability of subsection 12(2) is already an issue in the opposition proceedings since, as quoted above, the opposition statement alleges that the trade-mark EXPORT is either clearly descriptive or deceptively misdescriptive (and thus unregistrable under paragraph 12(1)(b) of the Act), and the counterstatement states that the registration of the trade-mark is not prohibited under the provisions of section 12 and that it is distinctive (this clearly raising, *inter alia*, a claim based on subsection 12(2)).

[44] In reverting to the analysis of the ground of opposition, I find the following statements of Mr. Samaroo at paragraph 2 of his affidavit to be noteworthy: “Demerara is also the well known name of high quality golden coloured sugar produced in Guyana. ... Demerara sugar emanating from Guyana is one of the principal, and most important ingredients of [the Applicant’s] Demerara rums”. Mr. Samaroo also testifies that the wash used for all Caribbean rums, including the Applicant’s, is produced by diluting molasses with water [Samaroo cross-examination, Q162-Q163]. I presume that this testimony of Mr. Samaroo explains the position taken by the Applicant at the hearing where it argued that it is not because Demerara describes a particular type of sugar contained in rum that the Mark clearly describes the character or quality of the Applicant’s rum.

[45] Based on a fair reading of the Applicant’s written argument, it is apparent that in the latter the Applicant essentially argued against the section 12(1)(b) ground of opposition by relying on its section 12(2) claim and evidence of acquired distinctiveness of the Mark. For instance, the Applicant argued that in the course of the opposition, it “has filed additional evidence of extensive sales and advertising of DEMERARA brand rum in Canada, including Ontario, to support the fact that the trade-mark DEMERARA was distinctive in Ontario at the relevant date”[see para. 56 of the written argument].

[46] In deciding whether the registration of the Mark is prohibited by section 12(1)(b) of the Act, the Mark must be considered as to the immediate impression created and from the point of view of the average purchaser [see *Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD)]. The word “clearly” means “easy to understand, self-evident or plain”; the word “character” means a feature, trait or characteristic belonging to the wares [see *Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34].

[47] In considering the issue, I did not have regard to any of the Opponents’ evidence that is subsequent to the filing date of the application. Still, I am satisfied that the Opponents have discharged their initial burden of establishing that registration of the Mark in association with rum was prohibited by section 12(1)(b) of the Act at the filing date of the application.

[48] More particularly, I find that excerpts of reference works appended as Exhibits “JS-1” to “JS-7” to the Bedessee affidavit establish that the word “Demerara” describes a type of rum. For

reasons of brevity, I have chosen not to reproduce all the excerpts referenced at paragraph 19 of the affidavit; those reproduced below give a flavour of the evidence.

Exhibit	Reference Work	Excerpt
JS-1	<i>Alcohol, Its Production, Properties, Chemistry And Industrial Applications</i> (1919)	<p>“There are two distinct types [of rum], one represented by Jamaica rum and the other by Demerara rum.” (page 431)</p> <p>“Demerara rum. - In British Guiana, the wash used for the making of Demerara rum is prepared by diluting molasses with water...” (page 433)</p>
JS-2	<i>The Carbohydrates and Alcohol</i> (1920)	<p>“There are two distinct types of rum in commerce, Jamaica and Demerara (British Guiana), the chief difference being that the former is the result of slow fermentation..., while the latter is the product of rapid fermentation.” (page 179)</p>
JS-3	<i>The Dictionary of Drink and Drinking</i> (1965)	<p>“...Demerara rum is especially highly flavoured and is therefore valued for blending purposes.” (page 113)</p>
JS-4	<i>Grossman’s Guide to Wines, Beers, and Spirits</i> (1983)	<p>“RUM is a potable spirit; ...Examples are Jamaican rum, Demeraran rum ... and others. (page 304)</p> <p>“Demeraran rum is distilled from sugarcane molasses grown along the Demerara River in Guyana. ... Demeraran rum is much darker and not nearly as pungent of Jamaican rum.” (page 362)</p>
JS-5	<i>International Guide to Drinks Compiled by the United Kingdom Bartenders Guild</i> (1987)	<p>“... If a rum is labelled ‘Demeraran style’, it usually indicates a dark-coloured rum with less pungency than Jamaican rum.” (page 204)</p>
JS-6	<i>The Complete Beverage Dictionary</i> (1996)	<p>“RUM ... There are three main types; ...2) full-bodied, rich rums, exemplified by the rum of Jamaica, Barbados, Martinique, Trinidad and Guyana’s Demerara; ...” (page 351)</p>
JS-7	<i>Rum</i> (2003)	<p>“The world’s rums could now be divided into four broad styles: Jamaican, French, Demerara, and Cuban.” (page 23)</p> <p>“...Bacardi was fighting against the traditional style:</p>

		a dark, heavily caramelized blend of Demerara and Jamaican rums...” (page 29)
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[49] Accordingly, I conclude that the average purchaser who saw or heard the word “Demerera” in association with rum, as of March 27, 2003, would probably have regarded this word as describing a type of dark-coloured rum. It follows that the Mark was clearly descriptive of the character of rum at the filing date of the application.

[50] Thus, the issue becomes whether the Applicant has discharged its legal onus to establish the registrability of the Mark in association with “rum”, and more particularly whether the Applicant’s evidence supports its claim to the benefit of section 12(2) of the Act for the province of Ontario. For the reasons that follow, my review of the Samaroo affidavit leads me to conclude that it does not support the Applicant’s claim. In my opinion, finding otherwise would be affording the Applicant a monopoly in the word DEMERARA for rum to which the Applicant was not entitled as of March 27, 2003.

[51] In turning to the review of the affidavit of Mr. Samaroo, I note that I will refer to his cross-examination to the extent that it is germane to my review of the affidavit and my consideration of the parties’ submissions and the issue.

Sales and promotion of the Applicant’s rum in association with the Mark

[52] I find it useful to start my review of Mr. Samaroo’s testimony concerning the sales of the Applicant’s rum by reproducing, in part, paragraph 13 of his affidavit (the reference to DDL is a reference to the Applicant):

Sales of DEMERARA brand rum fall into two categories. First, DDL produces and sells its own line of high quality bottled rums, which line of rums includes DDL’s very successful EL DORADO rum. Second, DDL sells, and for more than fifty years has sold, bulk rum to third parties who bottle such rum for resale. All use of the trade-mark DEMERARA by third parties who purchase rum in bulk from DDL for bottling and resale is with the consent of DDL. Further, since the rum is produced by DDL itself, use of the trade-mark DEMERARA by third party bottlers is in circumstances under which the character or quality of the rum sold that is associated with the trade-mark DEMERARA is wholly controlled by DDL. [...]

[53] Mr. Samaroo affirms that the Mark has been continuously used by the Applicant in Canada since at least as early as 1939. He explains that the Mark has always been used in Canada and abroad by, among other things, being prominently displayed on bottles and packaging for rum, as well as on invoices, bills of lading and in promotional materials [Samaroo affidavit, para. 6 and 10].

[54] In terms of promotion, Mr. Samaroo affirms that “[f]or many years, [the Applicant] has itself and in cooperation with its subsidiaries and distributors, advertised DEMERARA brand rum across Canada, through for example, print advertising, trade shows, brochures and various in-store promotional and point of sale signage”. He also references the Applicant’s participation “in cooperative advertising initiatives with several provincial Liquor Control Boards which have advertised and promoted DEMERARA brand rum in Canada” [Samaroo affidavit, para. 18]. However, Mr. Samaroo does not provide any information concerning the value and volume of advertising in any form or at any time whatsoever. Accordingly, the evidence does not allow me to conclude on the extent to which the Mark would have become known in Canada, never mind in Ontario, as of March 27, 2003 due to promotional activities and so it does not assist the Applicant's case.

[55] In terms of sales, Mr. Samaroo provides a breakdown of revenues generated “by the sales in Canada of the [Applicant’s] DEMERARA brand rum” in each of the years 1999 to 2010 [Samaroo affidavit, para. 14]. Given the material date at issue, I consider only the revenues for the years 1999 to 2003; these totalled in excess of US\$7.39 million. However, while the revenues have been broken down by year, they have not been broken down by categories of rum, i.e. bottled rums and bulk rum. Lastly, and not less importantly, the revenues have not been broken down by province, which by itself could be detrimental to the Applicant’s case.

[56] That being said, based on a fair reading of his affidavit, I conclude that the revenues provided by Mr. Samaroo were generated by the sales of both bottled rums and bulk rum. Likewise, I find it is reasonable to infer from the record that these revenues were essentially generated by the sales of the Applicant’s bottled rums and bulk rum in the province of Ontario. For one thing, the Applicant accepted that the registration of the Mark would be restricted to the province of Ontario. Also, I reiterate that in paragraph 56 of its written argument, the Applicant

contends that the Samaroo affidavit supports the fact that the Mark “was distinctive in Ontario at the relevant date”. Lastly, the few relevant invoices, bills of lading and other documents found in Exhibit “D” to the Samaroo affidavit relate to bulk rum sold by the Applicant to Hiram Walker & Sons Limited in Ontario. I will return shortly to Exhibit “D” to the Samaroo affidavit.

[57] Mr. Samaroo also provides evidence about the total volume, in bottles, of “DEMERARA brand rum sold in Canada, the United States and worldwide for 1997 – 2010” broken down by year [Samaroo affidavit, para. 16]. Given the material date at issue, the relevant evidence is that a total of 170,242 bottles of rum have been sold worldwide during the years 1997 to 2003. However, since the data has not been provided by country, we do not know how many bottles were sold in Canada at any time whatsoever.

[58] I now turn to the documentary evidence furnished by Mr. Samaroo to support his allegations that the Mark has been used and advertised in Canada by the Applicant in association with rum. The documentary evidence is appended as Exhibits “C” to “G” to his affidavit. As discussed below, my review of these exhibits leads me to conclude that they do not assist the Applicant’s case.

Exhibit “C” to the Samaroo affidavit

[59] Exhibit “C” consists of a sample of one packaging and several labels which display the Mark. Mr. Samaroo affirms that these are representative of the manner in which the Mark “has been used in Canada and elsewhere over a period of several decades”; the labels relate to bottled rums [Samaroo affidavit and cross-examination, para. 10 and Q31-Q32].

[60] I note that a significant part of the cross-examination of Mr. Samaroo focused on words displayed on the labels and intended to describe the colour, flavour or superior quality of the bottled rums [Samaroo cross-examination, Q28-Q60]. It is apparent that the line of questioning aimed to support the Opponents’ contention that the word DEMERARA displayed on labels and packaging is used descriptively and not as a trade-mark, which is debated by the Applicant. The latter contends that the display of DEMERARA on labels and packaging is trade-mark use.

[61] I will discuss at length the issue of whether or not the use shown on the labels and packaging comprises trade-mark use under the section 30(b) ground of opposition. At this time, it is sufficient to say that the debate between the parties as to the significance of the word DEMERARA on labels and packaging for the Applicant's bottled rums is a moot point under the section 12(1)(b) ground of opposition. As noted above, the Applicant has not indicated how much of its sales in Canada represent sales of bottled rums as opposed to rum sold in bulk. It is therefore not possible to assess the acquired distinctiveness of the Mark as a result of its display on labels and packaging for bottled rums sold in Canada by the Applicant.

Exhibit "D" to the Samaroo affidavit

[62] Exhibit "D" consists of a sample of invoices, bills of lading and related shipping and import documents concerning "the shipment and/or sale of DEMERARA brand bulk rum to customers in Canada". Mr. Samaroo explains that certain invoices evidence the sale by Demerara Rum Company Inc., the distributor in Canada of the Applicant's rum [Samaroo affidavit and cross-examination, para. 15, Exhibit "D" and Q91]. I will return to the Opponents' submissions about the relationship between the Applicant and Demerara Rum Company Inc.

[63] The documents found in Exhibit "D" were issued between the years 2001 and 2011. Once again, I note that part of the cross-examination of Mr. Samaroo focused on the display of the word DEMERARA on these documents [Samaroo cross-examination, Q67-90]. As I disregard any documents postdating November 27, 2003, I conclude that the few relevant invoices, bills of lading and related documents left concern the shipment from the Applicant to Hiram Walker & Sons Limited in Ontario during the years 2001 to 2003.

[64] Through his cross-examination, Mr. Samaroo explains that the Applicant's bulk rum is shipped to Canada by a tanker ship. The rum is pumped into tanks that are in the ship. There is no labelling on the tanks on the ship [Samaroo cross-examination, Q69-Q72]. Hence, the issue becomes whether the various references to Demerara rum on the documents found in Exhibit "D" amounts to use of the Mark in association with rum within the meaning of section 4(1) of the Act, particularly with respect to the following, "or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the

property or possession is transferred”. I would add that while the display of a trade-mark on an invoice may be considered “use” of that mark, it is essential that the invoice be associated with the wares at the time of transfer of property or possession [see *Riches, McKenzie & Herbert v Pepper King Ltd* (2000), 8 CPR (4th) 471 (FCTD)].

[65] I accept that the bills of lading, Warehouse Certificate, Certificate of Origin and Canada customs forms for the year 2001 establish that the bulk rum sold by the Applicant was transported from the port of Georgetown, Guyana, to the port of Hamilton, Canada by Alenkal Tank AS, whose name appears at the right corner of the bills of lading. I come to the same conclusion for the bills of lading for the years 2002 and 2003.

[66] However, I do not consider that the bills of lading are documents establishing an association between a trade-mark and wares *at the time of transfer of property or possession* as required by section 4(1) of the Act. By definition, a bill of lading is “a list of goods delivered to a carrier by a shipper, including a shipping agreement” [see *Canadian Oxford Dictionary*]. At best, it could be found that the word DEMERARA on the bills of lading described the products shipped to Canada. Likewise, the Warehouse Certificate, Certificate of Origin and Canada customs forms are not documents establishing the association required by section 4(1) of the Act.

[67] Insofar as invoices are concerned, I note that there are three invoices issued by the Shipping Division of the Applicant for the relevant period, i.e. two invoices in 2001 and one invoice in 2002. These invoices reference Demerara rum contained in tanks. I may infer from the information contained in these invoices that they relate to the sales of bulk rum for which the Applicant has provided evidence of shipment by way of the bills of lading discussed above. However, there is no clear indication that these invoices accompanied the bulk rum at the time of transfer of possession or property to Hiram Walker & Sons Limited in Canada and I cannot infer that they did. If there had been evidence that this was the case, I would likely have found that the word DEMERARA on these invoices would have been seen as a description of the type of rum contained in the tanks of bulk rum; not as a trade-mark of the Applicant.

Exhibit “E” to the Samaroo affidavit

[68] Exhibit “E” consists of “information” relating to the Applicant’s DEMERARA brand rum downloaded from the website of the Liquor Control Board of Ontario [Samaroo affidavit, para. 18]. It is apparent that the pages from the website were printed on September 22, 2011, which is well after the material date.

Exhibit “F” to the Samaroo affidavit

[69] Exhibit “F” consists of a sample of brochures, posters, newsletters and promotional materials said to be representative of similar materials distributed “over the years” by the Applicant and/or by its distributor(s) in Canada, the United States and elsewhere [Samaroo affidavit, para. 18].

[70] Even if I accept this material as representative of material distributed in Canada, there is no information to conclude on the extent to which this material would have been distributed in Ontario as of the filing date of the application, or far that matter at anytime whatsoever.

Exhibit “G” to the Samaroo affidavit

[71] Exhibit “G” consists of “information relating to the [Applicant’s] DEMERARA brand rum downloaded from the Internet” [Samaroo affidavit, para. 19]. It is apparent that the “information” consists of printouts from third party websites.

[72] All of the newspaper articles, which were apparently printed from the websites *www.thestar.com*, *www.canada.com* and *www.theglobeandmail.com*, postdate the material date. In any event, these newspaper articles do not constitute advertisement of the Mark [see *Williams Companies Inc et al v William Tel Ltd* (2000), 4 CPR (4th) 253 (TMOB)].

[73] Finally, the pages from the websites *www.thebeerguy.ca* and *www.theliqorguy.ca*, which were apparently printed September 22, 2011, at best establish that the Applicant’s rums could be purchased from these websites on that date, which is subsequent to the material date.

Demerara Rum Company Inc.

[74] Further to my review of Exhibit “D”, I revert to the Opponents’ submissions concerning the relationship between the Applicant and Demerara Rum Company Inc. identified by Mr. Samaroo as the Canadian distributor of the Applicant’s rum.

[75] In a nutshell, the Opponents submit that Demerara Rum Company Inc. is a licensee of the Applicant and has used the Mark in Canada outside the scope of section 50 of the Act which requires the owner of a trade-mark to control, either directly or indirectly, the character or quality of the wares or services in order to benefit from the use of its trade-mark by a licensee. Further, at the hearing, the Opponents requested that I draw a negative inference from the Applicant not providing a copy of its agreement with Demerara Rum Company Inc.

[76] To put the Opponents’ submissions into context, I reproduce what I find to be the most relevant excerpts of the cross-examination of Mr. Samaroo [pages 16 to 19 of the transcript]:

91. Q. And about halfway through [Exhibit “D” ...]. There is an invoice or what appears to be an invoice with “Demerara Rum Company Inc.” on the top. It’s dated April 30, 2007. So, what is this company, the Demerara Rum Company Inc.?

A. Demerara Company is the distributor in Canada for Demerara bulk rum.

[...]

97. Q. About how long did [the Applicant] use Demerara Rum Company Inc. as a distributor for bulk rum?

A. For at least 30 years.

98. Q. Was it and is it presently a distributor in Canada only?

A. Yes

99. Q. Now, I asked you to bring any Licence Agreements between [the Applicant] and this company. Did you?

A. No.

100. Q. [...] were there any licences between [the Applicant] and Demerara Rum Company?

A. Sorry, what types of licences:

101. Q. Involving the word, however we characterize it “Demerara”?

A. There was a Distribution Agreement appointing the company as a distributor.

102. Q. Did it deal with the word 'Demerara' and how _ _ _

A. Yes.

[...]

104. Q. Did you bring a copy of it with you?

A. No

105. Q. And why not?

[Applicant's counsel]: Are you looking at me for an answer?

[Opponents' counsel]: Well, I asked for one.

[Applicant's counsel]: I think you asked him to bring copies of any licences with any party, not specifically - - I mean, Mr. Samaroo has told you that there is a Distribution Agreement, I personally would not characterize that as a Licence Agreement, and therefore would not be required to be produced.

106. Q. Do you adopt your counsel's answer? Do you agree with your counsel?

A. Yes, yes. Yes, I do.

[77] I acknowledge that the questions on the relationship between the Applicant and Demerara Rum Company Inc. were brought up in the context of an invoice for the year 2007, which is subsequent to the material date. Nonetheless, Mr. Samaroo testifies that Demerara Rum Company Inc. has been the distributor of the Applicant's bulk rum *for over thirty years*. Thus, I agree with the Opponents that Demerara Rum Company Inc.'s activities are relevant when considering the material date. However, I disagree with the Opponents' contention that the relationship between the Applicant and Demerara Rum Company Inc. has been that of licensor and licensee. By the same token, I disagree with the Opponents' oral submissions that the Applicant has refused to provide a copy of its "licence agreement" with Demerara Rum Company Inc.

[78] Indeed, I rather agree with the Applicant that Mr. Samaroo's testimony on cross-examination is unequivocal: Demerara Rum Company Inc. has been the distributor of the Applicant in Canada. It is trite law that the use of a trade-mark in Canada by a distributor amounts to use by the holder of the trade-mark [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD)].

[79] Also, a fair reading of the cross-examination transcript leads me to conclude that the production of the agreement between both companies was not an undertaking given during the

cross-examination. I rather conclude that the Opponents' counsel asked the Applicant's counsel to bring copies of "any license agreements" at the cross-examination and so the request occurred before the cross-examination. Thus, I find this is not a case where a party refuses to provide a document in reply to an undertaking given *during the cross-examination*.

[80] Finally, Mr. Samaroo was "asked" to bring copies of any licences agreement; his testimony is that the agreement is a distribution agreement, not a licence agreement. Accordingly, I find it is not without merit for the Applicant to have argued at the hearing that the fact that he did not bring a copy of the distribution agreement at his cross-examination should be of no consequence. In any event, if the Opponents wanted a copy of the agreement, their counsel should have formally asked for an undertaking during the cross-examination.

[81] I would add that even if I am wrong in refusing to draw a negative inference from the fact that the Applicant did not provide a copy of its agreement with Demerara Rum Company Inc, it is of no consequence on the overall outcome of this case.

Conclusion on the claim to the benefit of section 12(2) of the Act

[82] Further to my review of the Applicant's evidence filed through the Samaroo affidavit, I conclude that it does not establish that the Mark has been so used in Canada, more particularly in the province of Ontario, by the Applicant as to have become distinctive at the filing date of the application. To sum up my findings above, I reach this conclusion for the following reasons.

[83] I acknowledge that the revenues generated by the Applicant's sales of bottled rums and bulk rum in the province of Ontario from 1999 to 2003 were significant. Still, the evidence does not distinguish the revenues imputable to the sales of bottled rums as opposed to the sales of bulk rum. The fact that Mr. Samaroo provides the total of bottles of rum sold *worldwide* for the years 1997 to 2003 does not shed light on the value or volume of sales of bottled rums in Canada. In the end, the evidence as introduced by Mr. Samaroo does not allow concluding on the extent of sales of bottled rums in association with the Mark in Canada. Hence, whether or not the display of DEMERARA on the labels and packaging for the Applicant's bottled rums amounts to trademark use is a moot point when considering the evidence filed in support of the Applicant's claim to the benefit of section 12(2) of the Act.

[84] I accept that bills of lading and related shipping and import documents show the shipment of bulk rum to Canada during the years 2001 to 2003. However, these documents do not evidence use of the Mark in association with bulk rum within the meaning of section 4(1) of the Act. Likewise, I accept that invoices issued in the years 2001 and 2002 show the sales of bulk rum in Ontario. However, there is no evidence to conclude that these invoices accompanied the bulk rum at the time of transfer of possession or property.

[85] Finally, the evidence about the promotion of the rum associated with the Mark in Canada, as introduced by Mr. Samaroo, is of no assistance to the Applicant.

[86] Having regard to the foregoing, I find that the Applicant has not discharged its legal onus to establish, on a balance of probabilities, that the Mark was registrable under section 12(2) of the Act as of the filing date of the application. Thus, the ground of opposition based upon section 12(1)(b) of the Act is successful.

Is the Mark the Name of the Applicant's Wares?

[87] This issue arises from the ground of opposition alleging that the Mark is not registrable under section 12(1)(c) of the Act because it is the name of the wares, i.e. rum.

[88] The material date to assess the ground of opposition raised under section 12(1)(c) of the Act is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[89] Section 12(1)(c) of the Act prohibits the registration of a trade-mark which is the name in any language of any wares or services associated with it. The test under section 12(1)(c) of the Act is narrower than the test under section 12(1)(b) of the Act.

[90] For the reasons that follow, I find that the Opponents have not discharged their evidential burden in relation to this ground of opposition.

[91] I agree with the Opponents that it has been held that an opponent can meet its evidential burden under section 12(1)(c) of the Act by adducing copies of reference works in which the trade-mark can be shown to have a definition [see *David Oppenheimer Co., LLC v Imagine IP*,

LLC (2011), 96 CPR (4th) 438 (TMOB)]. However, I disagree with the Opponents' contention that the excerpts of the reference works filed by Mr. Bedesse, including the *Grossman's Guide to Wines, Beers, and Spirits* specifically referenced in their written argument, establish that "Demerara" is another name for "rum".

[92] Further, I disagree with the Opponents' contention that the certified copies of two trade-mark registrations containing respectively "Demerara rum" and "Dark Demerara rum" as statement of wares are of any assistance to its case [Bedessee affidavit, Exhibits "N" and "O"]. If these are to be afforded any weight, then it is of note that neither statement of wares shows the word "Demerara" separated from the word "rum". In other words, neither statement of wares shows "Demerara" by itself. In the end, I view the word "Demerara" in each statement of wares as a descriptive term, not as the name of the wares.

[93] Likewise, if the certified copy of the Vansluytman affidavit and exhibits thereto filed as Exhibit "A" to the Bedessee affidavit is to be afforded weight in this proceeding, the Opponents did not convince me that it establishes use of the word "demerara" as another name for "rum". I stress that I am not finding that the certified copy of the Vansluytman affidavit and exhibits introduced through the Bedessee affidavit constitute admissible or reliable evidence. I am finding that if it is to be afforded any weight, it does not assist the Opponents' case.

[94] Finally, I am not affording any significance to Mr. Bynoe's bald statement that "Demerara is a generic name for a type or rum" [Bynoe affidavit, para. 5].

[95] Accordingly, the ground of opposition based upon section 12(1)(c) of the Act is dismissed.

Had the Applicant Been Using the Mark as a Trade-mark in Canada as of the Filing Date of the Application?

[96] This issue arises from the ground of opposition alleging that the application does not comply with the requirements of section 30(b) of the Act because the Mark has not been used in Canada by the Applicant in association with rum as a trade-mark since 1939.

[97] The Opponents contend that the material date to assess the ground of opposition based on section 30(b) of the Act is the filing date of the latest amended application, namely July 23, 2009, rather than the filing date of the application, namely March 27, 2003. At the hearing, the Applicant did not challenge the Opponents' contention; it submitted that the ground of opposition must be rejected regardless of whether July 23, 2009 or March 27, 2003 is considered as the material date.

[98] For the reasons that follow, I disagree with the Opponents' contention as to the material date to assess the ground of opposition based on section 30(b) of the Act in this case. I consider that the filing date of the application is the material date [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

[99] In support of their contention, the Opponents pointed out the reference to an amended application in *Georgia-Pacific Corp, supra*, as per the following comments at page 475:

In assessing the issue arising pursuant to s. 29(b) [now section 30(b)] of the Act, I consider that the material time for considering the circumstances relating to that issue to be the filing date of the applicant's application (although this may change if the application is amended). (My underlining)

[100] I agree with the premise that an amended application *may* be relevant to the consideration of a ground of opposition raised under section 30(b) of the Act. However, I consider that it would be relevant so long as the amendment relates to the requirements of section 30(b) of the Act. For instance, an amendment changing the date of first used claimed in the original application would relate to the requirements of this section. In this case, none of the amendments to the application relates to the requirements of section 30(b) of the Act.

[101] The initial burden on an opponent with respect to a section 30(b) ground of opposition is lower as the relevant facts are more readily available to the applicant [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986) 10 CPR (3d) 84 (TMOB) at 89]. An opponent's burden can be met by reference not only to its own evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at 230]. However, while an opponent may rely upon the applicant's evidence to meet its evidential burden in relation to this ground, the opponent must show that the applicant's

evidence is clearly inconsistent with the applicant's claims as set forth in its application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), affirmed 11 CPR (4th) 489 (FCTD)]. In addition, section 30(b) of the Act requires that there be continuous use of the trade-mark applied for in the normal course of trade since the date claimed [see *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD)].

[102] In this case, the Opponents have not filed any evidence in support of the ground of opposition; they rely solely upon the Applicant's evidence to meet their burden. More particularly, they rely on the packaging and labels filed as Exhibit "C" to the Samaroo affidavit. At the hearing the Opponents confirmed that they do not dispute the date of first use claimed by the Applicant. Rather, the Opponents dispute that the Mark has been used *as a trade-mark* since that date.

[103] The Opponents made extensive submissions on this issue both in written and oral arguments. The Applicant replied to these submissions at the hearing.

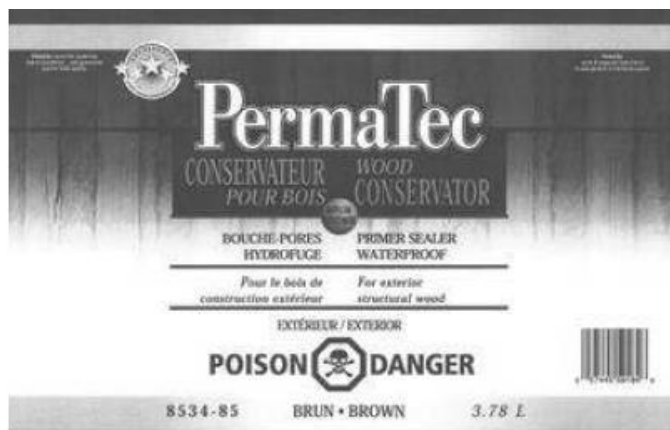
[104] In a nutshell, the Opponents' position is that the trade-mark displayed on the labels and packaging is EL DORADO; in all instances, the word DEMERARA refers to the type of rum. In other words, the evidence establishes trade-mark use of EL DORADO, not trade-mark use of DEMERARA. The Applicant does not dispute that the labels and packaging show use of the trade-mark EL DORADO. It submits that they also show trade-mark use of DEMERARA. In other words, the Applicant submits that its evidence establishes the use of both the trade-mark EL DORADO and the Mark in association with its bottled rums.

[105] Clearly, there is nothing that would have prevented the Applicant to use both the trade-marks EL DORADO and DEMERARA on labels and packaging for its bottled rums. That being said, for the reasons that follow, I conclude that the Opponents have satisfied their evidential burden of establishing that the application does not comply with section 30(b) of the Act. Further, the Applicant's submissions did not convince me that it has discharged its legal onus of establishing trade-mark use of DEMERARA in association with rum.

[106] I will reproduce throughout my reasons some of the front and back labels found in Exhibit "C" to the Samaroo affidavit. I note that the labels are originals and in colour. As they

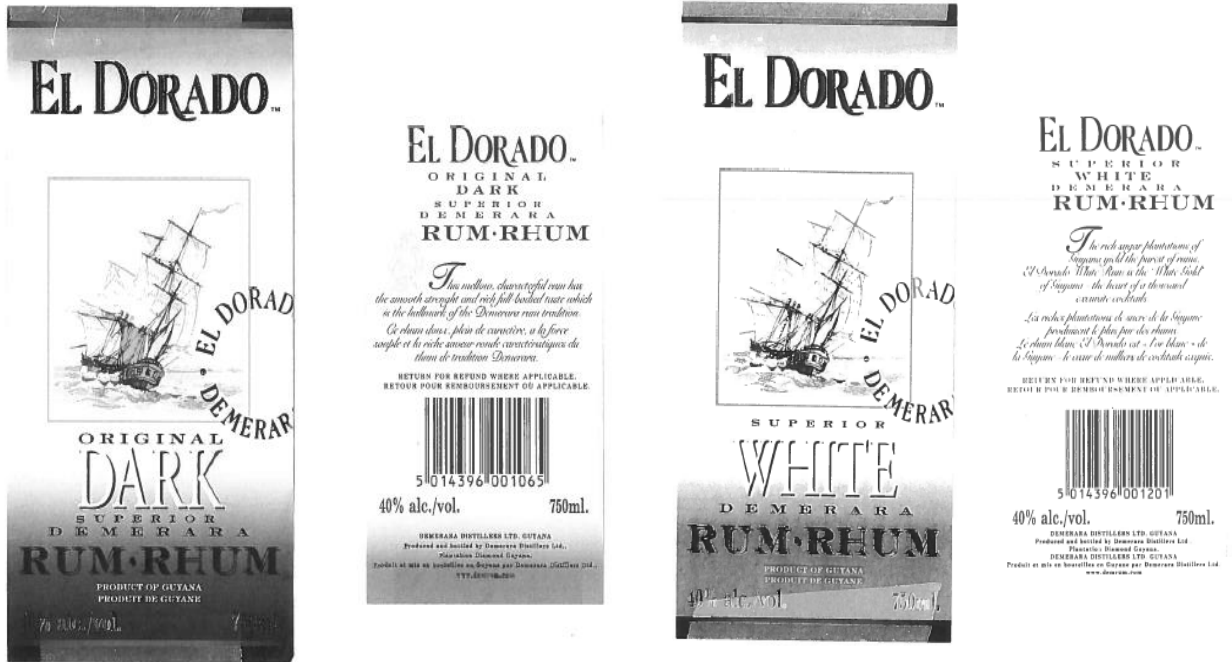
are reproduced in black and white, some of the details referenced in my reasoning may not be apparent. I also note that I choose not to reproduce all of the labels as I find that those reproduced are sufficient to better understand the parties' submissions and my findings. That said, I stress that I have considered all of the labels found in Exhibit "C".

[107] As a first matter, I wish to comment on the Opponents' reliance on the decision *Osmose-Pentox Inc v Société Laurentide Inc*, 2013 FC 626 as supporting a conclusion that the word DEMERARA on the packaging and labels was not used as a trade-mark but as a description of the type of rum. In that case, the Court concluded that the words "CONSERVATEUR POUR BOIS" and "WOOD CONSERVATOR", as displayed on the label reproduced below, were not used as a trade-mark but as a mere description of the defendant's product sold as a primer-sealer.



[108] I find the cited decision is of interest to the extent that the Court's conclusion came "from a simple examination of the front panel of the defendant's labels" [*Osmose-Pentox Inc, supra*, para. 95]. Still, the cited decision is distinguishable if only because it involves an infringement action, not an opposition proceeding. Further, each case must be decided based upon its own merit and so I turn to the labels and packaging at issue in the context of this opposition proceeding.

[109] I find that the labels reproduced below and any similar labels show use of the trade-mark EL DORADO; not trade-mark use of DEMERARA.



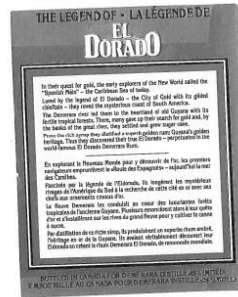
[110] In my opinion, an ordinary consumer would have read the word DEMERA as describing the type of rum, especially given that it is found among other descriptive words. In that regard, Mr. Samaroo testifies that SUPERIOR describes a superior quality product and the word DARK or WHITE describes the colour of the rum [Samaroo cross-examination, Q37-Q40]. In my view, the TM designation only displayed next to the trade-mark EL DORADO as opposed to DEMERARA reinforced a finding that DEMERARA is not being used as a trade-mark. Indeed, if DEMERARA was also used as a trade-mark, as claimed by the Applicant, why not display the TM designation next to it as for the trade-mark EL DORADO?

[111] Likewise, I find that the labels reproduced below and any similar labels show use of the trade-mark EL DORADO, not trade-mark use of DEMERARA.



[112] Once again, in my opinion an ordinary consumer would have read the word DEMERARA on the front label of each product as describing the type of rum, especially as it is found among other descriptive words. In that regard, Mr. Samaroo testifies that SPICED describes the flavour of the rum and CLASSIC CHOCOLATE CREAM describes a rum chocolate flavoured cream [Samaroo cross-examination, Q41 and Q43-Q45]. In my view, the appearance of the TM designation next to EL DORADO but not DEMERARA reinforced my finding. The same could be said from the fact that neither of the back labels displays DEMERARA along with the trade-mark EL DORADO, contrary to the front labels. Also, the following sentence on the back label for the spiced rum reinforced a finding that DEMERARA on the front label is used as a descriptive term: “Discover the truly superior taste of El Dorado Spiced Rum, a unique blend of aged Demerara rums and natural spices – cinnamon and vanilla with hints of citrus.”

[113] The word DEMERARA on the labels reproduced below is displayed only on what could be a bottle neck label.



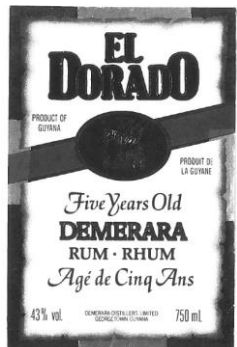
[114] In my opinion an ordinary consumer would have read the word DEMERARA as describing the type of rum, especially as it is found among other descriptive words. In that regard, Mr. Samaroo testifies that GOLDEN refers to the colour of the rum [Samaroo cross-examination, Q36]. This finding is reinforced by the fact that only EL DORADO is displayed on the front and back labels.

[115] For similar reasons, I find that the labels reproduced below show use of the trade-mark EL DORADO, not DEMERARA.



[116] I would add that on these labels, it is the ® symbol that is displayed next to the trade-mark EL DORADO. Yet, this symbol is not displayed next to DEMERARA. Lastly, I acknowledge that the words ORIGINAL and PREMIUM are not displayed on each side of DEMERARA on the back label. Nonetheless, I find it is reasonable to conclude that DEMERARA is more likely to have been read as a descriptive word given the following sentence found on the back label: “EL DORADO IS AN ENCHANTING FUSION OF CAREFULLY SELECTED AGED DEMARARA RUMS WITH FULL DAIRY CREAM AND A BLEND OF NATURALS FLAVOUR AND SPICES.”

[117] To conclude my review of Exhibit “C” to the Samaroo affidavit, I find that the label reproduced below and any similar labels as well as the packaging, which I also reproduce in part for ease of reference, do not assist the Applicant as I find that an ordinary consumer would have read the word DEMERARA as describing the type of rum.



(label)



(packaging)

[118] To sum up, overall my examination of the labels and packaging for the Applicant’s bottled rums leads me to endorse the Opponent’s position that the word DEMERARA has not been used as a trade-mark but as a description of the type of rum.

[119] Even if I were to agree with the Applicant that DEMERARA is displayed on some of the front labels in such a manner that it is distinguishable from words describing the superior quality, colour or flavour of the rum, for the reasons explained above, I am not convinced that an ordinary consumer would have read DEMERARA as a trade-mark. At best, I would find that the balance of probabilities is even between a finding that DEMERARA would have been read as a

descriptive term and a finding that it would have been read as a trade-mark. As the onus is on the Applicant to establish on a balance of probabilities that the application does not contravene section 30(b) of the Act, I would still decide against the Applicant.

[120] In view of the above, I find that the Applicant has not discharged its legal onus of showing, on a balance of probabilities, that the application complies with section 30(b) of the Act.

[121] Accordingly the ground of opposition based upon non-compliance with section 30(b) of the Act is successful.

Could the Applicant Have Been Satisfied of its Entitlement to Use the Mark in Canada at the Filing Date of the Application?

[122] This issue arises from the two grounds of opposition alleging that the application does not comply with section 30(i) of the Act.

[123] I consider that the material date to assess the grounds of opposition raised under section 30(i) of the Act is the filing date of the application [see *Georgia-Pacific Corp, supra*]. I see no reason to conclude that an amended application may change the material date for considering a section 30(i) ground of opposition, as argued by the Opponent. Further, for the reasons that follow, the Opponents did not convince me that the decisions referenced in their written argument and at the hearing support their contention that the filing date of the latest amended application is the relevant material date.

[124] For one thing, the comment in *Georgia-Pacific Corp, supra*, that the material date may change if the application is amended was made in the context of a ground of opposition raised under section 30(b), then section 29(b), of the Act; not section 30(i) of the Act. Likewise, the relevancy of an amended application in *Delectable Publications v Famous Events Ltd* (1989), 24 CPR (3d) 274 (TMOB) was considered in the context of a ground of opposition raised under section 30(a) of the Act; not section 30(i) of the Act.

[125] Finally, I acknowledge that Member Flewelling in *Kellogg Co v Granovita UK Ltd* (2011), 99 CPR (4th) 1 (TMOB) cites the decision *Georgia-Pacific Corp* in relation to the

material date to consider grounds of opposition raised under sections 30(e) and 30(i) of the Act. However, I interpret this citation as being at most an acceptance that an amended application may be relevant to the consideration of section 30 grounds of opposition, where applicable. Indeed, for one thing Member Flewelling references the date of filing the application as the relevant date to consider the section 30 grounds of opposition at issue in the case before her. Further, Member Flewelling references the decision *Tower Conference Management Co v Canadian Exhibition Management Inc.* (1989), 28 CPR (3d) 428 (TMOB) where the section 30(i) ground of opposition was considered as of the filing date of the application.

[126] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or non-compliance with a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. This is not such a case.

[127] In this case, each of the grounds of opposition is essentially based on allegations that the Applicant was estopped from stating that it was satisfied that it was entitled to use the Mark in Canada and so the statement required by section 30(i) of the Act was made in bad faith. Given the Opponents' submissions, it is clear that the allegations of bad faith arise from their contention that the material date is the filing date of the latest amended application, rather than the filing date of the application.

[128] In the end, it can be fairly concluded that the issue arising from the pleadings is a moot point.

Was the Mark Distinctive of the Applicant's Wares as of the Filing Date of the Statement of Opposition?

[129] Since I have already accepted the opposition under two grounds, I will not address this last issue except to say that it arises from the ground of opposition alleging that the Mark does

not actually distinguish and is not adapted to distinguish the Applicant's rum from the rum of the third parties identified in the pleading.

Disposition

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

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule “A”

Detailed summary of the grounds of opposition

- Section 38(2)(a) of the Act: the application does not comply with section 30(b) of the Act in that the Mark has not been used in Canada and, in particular, Ontario by the Applicant in association with rum as a trade-mark since 1939.
- Section 38(2)(a) of the Act: the application does not comply with section 30(i) of the Act in that, at the filing date of the application and at all other times, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with rum because the Applicant asserted that the adoption of the Mark is prohibited by section 10 of the Act. In particular, in the opposition brought by the Applicant against application No. 1,206,738 for the trade-mark DEMERARA GOLD filed by Bedessee, the Applicant stated the following in its statement of opposition and written argument:

DEMERARA is a region of Guyana with a reputation for sugar and products derived from sugar including rum.

and:

...the word DEMERARA has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind and quality of certain wares which emanate from Guyana or a particular region of Guyana. As such the adoption and use of the Trade-mark DEMERARA GOLD in association with wares which do not emanate from Guyana is prohibited by Section 10 and the Trade-mark is not registrable.

As such the filing of the application for the Mark and continued prosecution of it are an abuse of process and in bad faith; the Applicant is estopped from stating that it was satisfied that it was entitled to use the Mark in Canada in association with rum in view of these prior statements. Further, the application for the Mark was revised after the decision *Glenora Distillers International Ltd v The Scotch Whisky Association*, 2009 FCA 16 which held that section 10 applies to everyone regardless of where the relevant products are produced.

- Section 38(2)(a) of the Act: the application does not comply with section 30(i) of the Act in that, at the filing date of the application and at all other times, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with rum because it stated the following in the opposition to application No. 1,206,738 for sugar:

...the Trade-mark [DEMERARA GOLD] was confusing with one or more of the trade-marks DEMERARA, DEMERARA GOLD and DEMERARA GOLD RUM which has been previously used and/or made known in Canada by the Opponent in association with rum...

and:

The Trade-mark is not distinctive of the applicant because it does not distinguish, nor is it adapted to distinguished, the wares of the applicant from the wares or services of others, including those of the Opponent, having regard to: (i) the prior the (*sic*) use and/or making known of the trade-marks...identified above by the Opponent in association with rum...

The Applicant was aware of the use in Canada of Demerera-type sugar by numerous companies. As such the filing of the application for the Mark and continued prosecution of it are an abuse of process and in bad faith; the Applicant is estopped from stating that it was satisfied that it was entitled to use the Mark in Canada in association with rum in view of these prior statements and its knowledge of the use of Demerara-type sugar in Canada by numerous companies.

- Section 38(2)(b) of the Act: the Mark is not registrable under section 12(1)(b) of the Act because it is clearly descriptive or deceptively misdescriptive in the English language of the character or quality of rum.
- Section 38(2)(b) of the Act: the Mark is not registrable under section 12(1)(c) of the Act because it is the name of the wares.
- Section 38(2)(d) of the Mark: the Mark does not actually distinguish and is not adapted to distinguish the Applicant's rum from the rum of others namely Cabot Tower Demerara Rum (registration No. TMA273,027 owned by Newfoundland and Labrador Liquor Corporation); Bristol Classic Rum Versailles Still Old Rum 1985 sold by Bristol Sprits Limited; and Classic Rum Port Morant Demerara Rum 1990 sold by Bristol Sprits Limited.