

**IN THE MATTER OF AN OPPOSITION by
Cerverceria Modelo, S.A. de C.V. to application
No. 1168019 for the trade-mark CORONA in the
name of Robert Victor Marcon**

On February 18, 2003, Robert Victor Marcon (the “Applicant”) filed an application to register the trade-mark CORONA (the “Mark”) based upon proposed use of the Mark in Canada. The statement of wares/services, as amended, reads as follows:

Bottled water. Fruit juices. Lemonade. Fruit flavoured drinks. Sports drinks. Coffee based beverages, and ingredients for making the same. Coolers containing distilled spirits.

Beverage bottling.

The application was advertised for opposition purposes in the Trade-marks Journal of January 7, 2004.

On March 8, 2004, Cerverceria Modelo, S.A. de C.V. (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement, in which it denied the Opponent’s allegations. I have disregarded those portions of Mr. Marcon’s counter statement that constitute evidence.

The Opponent’s evidence consists of the affidavits of Robert William Armstrong, Richelle Chelsea Rae and Jennifer Galeano. The Applicant’s evidence consists of the affidavit of Robert Victor Marcon. I have disregarded those portions of Mr. Marcon’s affidavit that constitute argument.

Mr. Marcon was cross-examined on his affidavit. Both the Applicant and the Opponent filed a written argument. An oral hearing was conducted at which only the Opponent was represented.

Four of the six grounds of opposition turn on the issue of confusion between the applied for mark and the Opponent’s marks CORONA (TMA 598,045). CORONITA EXTRA & Design (TMA 428,813), CORONA Design (TMA 368,116) and CORONA EXTRA & Design (TMA 391,068).

The two other grounds of opposition have been pleaded as follows:

“The application does not comply with s.30(e) and (i) of the Act in that the Applicant does not have the bona fide intent to use, nor does he have the belief that he is entitled to use, given that in and about the time he filed the application he also filed a number of other applications for trade-marks which are well known both in Canada and worldwide and are the subject of existing trade-mark registrations in Canada.”

Opponent’s Evidence

I will summarize below those portions of the evidence that I consider to be the most pertinent.

Affidavit of Robert William Armstrong

Robert William Armstrong is the Managing Director of CORONA beer in Canada, and has held this position with Canacermex, a wholly owned subsidiary of the Opponent since 1999. Mr. Armstrong attests to the use, promotion and reputation in Canada of the CORONA trade-mark in association with alcoholic beverages, namely beer. CORONA beer was introduced in Canada at EXPO-86 in Vancouver, B.C. CORONA beer has been promoted throughout Canada since 1986. Promotional activities include planning, advertising, and sponsoring special events, displays in retail outlets and restaurants, print advertisements in magazines, and active website and television advertisements, including regular advertisements on CBC’s Hockey Night in Canada since 1995. In both 2003 and 2004, the budget for promotional activities and advertising in Canada for CORONA beer was well in excess of 5 million dollars. He states that CORONA beer has been the leading imported beer sold in Canada since 1994, and has enjoyed substantial sales of between \$90 million and \$219 million annually between 1998 and 2004. The CORONA mark is prominently featured on the labels of the bottles containing CORONA beer and is also prominently featured on cartons in which the CORONA beer is sold.

In the ordinary course of trade, CORONA beer is sold throughout Canada via the various provincial liquor boards, grocery and variety stores, and/or private liquor stores. CORONA beer is also sold in many restaurants throughout Canada such as The Keg, Kelsey’s, The Lone Star

Texas Grill, St. Hubert and Boston Pizza.

Affidavit of Richelle Chelsea Rae

Richelle Chelsea Rae identifies herself as an articling student employed with the Opponent's agent's firm. She attended a depanneur in Hull, Quebec, and observed CORONA beer offered for sale as well as other beverages including: bottled water, fruit juices, soft drinks, sports drinks, coolers containing distilled spirits, wine, ingredients for making coffee and fruit flavoured drinks. She also attended a Maxi grocery store in Hull, Quebec, and observed similar wares available for sale.

Ms. Rae also accessed the LCBO website and found out that CORONA brand beer is sold at the LCBO, in addition to "coolers containing distilled spirits".

Affidavit of Jennifer Galeano

Ms. Galeano identifies herself as a lawyer employed with the Opponent's agent's firm. Her evidence reveals that on the same date of filing as the subject application, namely February 18, 2003, the Applicant also applied to register the following marks based on proposed use: ABSOLUT (Application No. 1,168,026), HEINEKEN (1,168,025), FINLANDIA (1,168,024), BEEFEATER (1,168,023), CANADIAN CLUB (1,168,022), COORS (1,168,021), BUDWEISER (1,168,020), JACK DANIEL'S (1,168,016) and DOM PERIGNON (1,168,014). Her evidence also revealed that, at the date of her search, the Applicant owned applications for the following trade-marks: SENSODYNE (1,186,813), TIM HORTONS (1,186,804), SOUTHERN COMFORT (1,168,272), BAYER (1,201,366), CHANEL (1,202,435), EVIAN (1,188,155), L'OREAL PARIS (1,201,383), NESCAFE (1,201,480) and NESTLE (1,201,360).

Applicant's Evidence

I will summarize below those portions of Mr. Marcon's evidence that I consider to be the most pertinent.

Affidavit of Robert Victor Marcon

Mr. Marcon is the Applicant for the mark CORONA. He submits dictionary definitions showing that the word CORONA can be translated from Spanish and Italian to mean “crown” in English. He also submits a listing of 69 surnames that contain the element CORONA.

He further submits a print out of a CIPO website search for the query “CORONA” yielding 97 marks. No particulars of any of these marks are provided, such as status, dates, wares or owner. He also submits results from the CIPO database for the word “crown” that yielded 1,069 documents. Again, no information was provided as to the number of active registrations, and/or the particulars of these marks.

Attached as Exhibit 6 to his affidavit is a letter dated April 8, 2004, from the LCBO wherein the LCBO states that it does not sell non-alcoholic beverages. This evidence is inadmissible hearsay with respect to the truth of its contents and has therefore not been considered.

As Exhibit 7, Mr. Marcon submits copies of printouts from the LCBO and The Beer Store websites (the contents of which also cannot be considered because they are inadmissible hearsay), a copy of a label for Miguel Torres CORONAS wine, a copy of what appears to be 2 pages out of a product guide which shows a picture of a bottle of CORONAS wine, and printouts of trade-mark registrations for CORONAS (TMA 164,522) and GRAN CORONAS (TMA582,434), both for use with wine.

Attached as Exhibits 8, 9, and 10 are copies of Canadian trade-mark registrations for the mark CORONA and other marks that include the component CORONA. The U.S. registrations for the mark CORONA attached as Exhibit 11 to his affidavit have been disregarded for not being relevant to the present proceeding.

Mr. Marcon describes Exhibit 17 to his affidavit as “evidence demonstrating the sincerity of the Applicant’s desire to use the marks that he has applied for in Canadian commerce”. Exhibit 17

includes his inactive trade-mark applications for the marks NUTRADENT and ROCKLIN filed by Mr. Marcon and his patents for dental floss and a fuel tank product.

Cross-Examination of Mr. Marcon

I will summarize below those portions of Mr. Marcon's cross-examination transcript that I consider to be the most pertinent:

- Mr. Marcon has been working as an electrician since 1984. He has no actual experience in relation to the production, distribution, and sale of beverages. He states that he had been "starting in production" for ABSOLUT brand bottled water with "contracts to sell" but was forced to stop by the owners of the ABSOLUT vodka brand. (p.3-4)
- Mr. Marcon admits that is familiar with CORONA beer, and that he was familiar with CORONA beer prior to 2003 and at the time he filed application no. 1,168,019 for CORONA (q. 61)
- Mr. Marcon admits that he has seen advertisements for CORONA beer and that he has seen bars and restaurants where CORONA beer is served (q.59-60).
- Mr. Marcon confirms that with respect to the long list of wares he is proposing to sell in Canada in association with a variety of trade-marks, that it is only the beverage category that he wants to associate with the CORONA trade-mark. (q.90)
- Mr. Marcon indicates that he intends to offer beverage bottling services for both alcoholic and non-alcoholic beverages (q.94).
- Mr. Marcon confirms that he does not currently have any bottling facility within which to produce any of the wares listed in the subject CORONA application. He confirms that he currently does not have any contracts with anybody but that he could use the same bottlers that he had to produce ABSOLUT. When asked whether he was in negotiations

to produce a CORONA cooler, Mr. Marcon responded that he has made inquiries but that these inquiries stopped when the opposition proceeded (q. 107-112).

- Mr. Marcon confirms that, with the exception of the mark ABSOLUT, he has not commenced use of any of his trade-marks, including CORONA (q. 314)
- Mr. Marcon confirms that, aside from bottled water and coolers containing distilled spirits, he has not approached a manufacturer to produce any of the other products of the other trade-marks he has applied for, for fear that these marks may be opposed (q. 332-337)
- Mr. Marcon confirms that it is only when the marks are allowed that he will go to the next step of actually putting together a business plan and seeing whether or not he can find a manufacturer to produce it.
- Mr. Marcon comments on his awareness about other trade-marks he has applied for including: CHANEL, JACK DANIEL'S, BAYER, EVIAN, NESCAFE, NESTLE, L'OREAL PARIS, BEEFEATER, BUDWEISER, COORS, DOM PERIGNON, FINLANDIA, HEINEKEN, SOUTHERN COMFORT, CANADIAN CLUB, TIM HORTON'S, and SENSODYNE.

The Grounds of Opposition

Section 30 Grounds

Sections 30(e) & (i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 ("the Act") reads as follows:

An applicant for the registration of a trade-mark shall file with the Registrar an application containing

(e) in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada;

(i) a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application.

Under these grounds of opposition, as previously noted, the Opponent has pleaded as follows:

“The application does not comply with s.30(e) and (i) of the Act in that the Applicant does not have the bona fide intent to use, nor does he have the belief that he is entitled to use, given that in and about the time he filed the application he also filed a number of other applications for trade-marks which are well known both in Canada and worldwide and are the subject of existing trade-mark registrations in Canada.”

To meet the evidential burden upon it in relation of a particular issue, the Opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist (see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298). The Opponent’s burden is lighter, however, with respect to the issue of non-compliance with s. 30(e) because the facts supporting no intention to use the mark are particularly within the knowledge of the Applicant (see *Molson Canada v. Anheuser-Busch, Inc.* (2003), 29 C.P.R. (4th) 315 (F.C.T.D.) at 334 and *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)). I would also consider that the facts regarding the Applicant’s satisfaction as to his entitlement to use the trade-mark (s.30(i)) are also particularly within the knowledge of the Applicant .

The material date for each of these grounds is the filing date of the application. The legal burden or onus is on the applicant to show that its application complies with s. 30. This includes both formal and substantive compliance. Formal compliance regards including the required statements in the application. The Applicant in the present case has formally complied with s.30(e) and s.30(i) by including the required statements in its application.

Substantive compliance considers the applicant’s intent when it made the required statements. If the opponent can raise doubt about the applicant’s intent when it made the required statements in its application, the legal onus then shifts to the applicant to prove that the statements were true when it filed the application.

Section 30(i) Ground

Once the filing requirements for an application have been met, an application receives a filing date. The filing date the Applicant received in the present case was February 18, 2003. On February 18, 2003, the application, as filed, was for the following wares:

“Water, still water, mineral water, spring water, aerated water, carbonated water, sparkling water, ice water, iceberg water, ice, crushed ice, juices, flavoured drinks, nutrient drinks, non-alcoholic beverages, beers, coolers, spritzers”

and the following services:

“Bottling, warehousing, distribution, marketing, advertising, sales training, sales, graphic designs”

Although the applicant’s original application was not filed as evidence in the present proceedings, given that the relevant date for s.30(i) is the date of filing of the application, and that an application must be considered in order to assess formal compliance with s.30(i) at such date, I consider it both relevant and necessary to review the contents of the original application. Further, although it has been previously held in *Eaton Williams (Millbank) Ltd. v. Nortec Air Conditioning Industries Ltd.* (1982), 73 C.P.R. (2d) 70, that where an application has been amended the Applicant will not be prejudiced by the original application, the present case is distinguishable because that case dealt with a s. 30(a) ground.

As noted above, s. 30(i) requires the applicant to indicate as part of its application that the applicant is satisfied that it is entitled to use the trade-mark in Canada in association with the listed wares and/or services. In *Canadian Trade-marks Act – Annotated Robic Leger*, rev. ed. (Scarborough, Ont.: Carswell) (looseleaf), H.G. Richard discusses s. 30(i) (formerly s. 29(i)) as follows at 30-47,30-48:

The final consideration before proceeding to the actual search of the indexes and examination of the mark itself, is whether or not the applicant is satisfied "that he is entitled to use the mark in Canada in association with the wares or services described in the application". This can be looked at as a type of

contract between the applicant and the public, establishing that all information and supporting evidence, including revisions or additions of same, have been submitted **in good faith**, and that the application as it stands, is approved by the applicant. Assuming that everything is in order, the applicant or his agent affixes his signature. The examiner can then proceed with the examination of the mark and the search of the indexes. (emphasis added)

In other words, the statement provided by s. 30(i) purports to be evidence of the applicant's good faith in submitting its application. Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases, such as when there is evidence of bad faith on the part of the applicant (*Sapodilla Co. v. Bristol Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155).

In my view, the present case qualifies as such an exceptional case for two main reasons. First, it is clear from Mr. Marcon's testimony that he understood that it was inappropriate for him to file his original CORONA application for beer. Second, the mere fact that he has applied for 18 other arguably well known marks for arguably related wares, and his related testimony about these other marks, raises suspicion about his good faith in submitting the present application.

In considering the s.30(i) issue, I had regard to the following evidence on point from the cross-examination of Mr. Marcon. Although part of Mr. Marcon's testimony below regards the trade-marks BUDWEISER and COORS (other marks which Mr. Marcon has applied for), I find it is relevant to the determination of this issue.

Q.61: You were familiar with Corona beer when you filed your Canadian trade-mark application with respect to "Corona"?

A: Yes, I was.

....

Q.224: "Budweiser" as of 2003 had an established reputation for beer.

A: Yes.

Q. 225: It was a well-known trade-mark?

A: For beer, yes.

Q. 226: Again, you filed for a full range of beverages, including both alcoholic and non-alcoholic products?

- A: I can't remember the full list.
- Q.227: Packaged drinking water, fruit juices, vegetable juices, lemonade, fruit-flavoured drinks, coffee-based beverages, coffee substitutes, tea, herb tea, herbal tea, coolers containing distilled spirits, alcoholic and non-alcoholic wine coolers.
- A: Yes, both alcoholic and non-alcoholic.
- Q.228: Again, your Budweiser wine could be sold in the same establishment as Budweiser beer?
- A: Yes, they could be.
- Q.229: Your position would be that consumers would not be confused by that?
- A: That is correct, because Budweiser has a reputation for beer, and they would not associate it.
- Q.230: It is basically your understanding of confusion that, unless somebody is using the identical trade-mark on the identical products, confusion will not occur? Is that what you are telling me?**
- A: People would look at the product and, if it is not related to what they are doing, if it is not associable with the thing, then confusion would not occur. The Canadian population is sufficiently smart to know.**
- Q.231 A consumer in Canada encountering "Budweiser" on anything other than beer is not going to associate it with the Budweiser beer. That is essentially what you are saying?
- A. I find it difficult for them to associate it, yes. It is a name of a town in Czechoslovakia.
- Q. 232 "Coors". In 2003, "Coors" was an established brand again for beer?
- A. Yes.
- Q. 233 It was a well-known beer in Canada at the time?
- A. Actually I don't know.
- Q.234: Certainly an established brand for beer and an established brand for beverage products?
- A.: Yes.
- Q.235: You applied to register "Coors" again for the beverage category.
- A. Yes.
- Q.236: Water, still water, mineral water, spring water, aerated water, carbonated water, sparkling water, ice water, iceberg water, crushed ice, juices, flavoured drinks, nutrient drinks, non-alcoholic beverages, beers, coolers and spritzers.**

A. **Beers was a mistake obviously.**

Q. 237: **Beers would be a mistake, again just a little too close,**

A. **It's the same thing. Beer is what Coors makes, so obviously it would not be--**
(emphasis added)

In view that Mr. Marcon admitted that he was familiar with CORONA beer when he filed his application for CORONA for various beverages including beer, and in view of his understanding that confusion would not occur unless someone is using the identical trade-mark on an identical product, it appears that Mr. Marcon understood that it was inappropriate for him to file the present application for beer.

Regarding the fact that Mr. Marcon has applied for 18 arguably well known marks for arguably related wares and services, the Opponent's agent submitted at the oral hearing that the Applicant is a "predatory filer" of trade-mark applications who is trying to benefit from the established reputation of those arguably well known marks. The Opponent's agent argues that the following testimony regarding the mark NESTLE suggests that Mr. Marcon researched the wares and services of the well known marks he was applying for in order to benefit from the established reputation of these well known marks:

Q. 208: Your application for "Nestlé", interestingly enough, covers beverages and it covers food products. Actually, this is the first time I have seen food products --- edible nuts, legumes, edible oils and cheese. That is the first time I have seen that in your applications. Again, it is an established reputation for a food product, so you are going to use it for food products.

A. That, again, during prosecution has been removed.

Q.209: Certainly in 2003, when you filed your application, you had a trade-mark Nestlé which had an established reputation for food products, so you coat-tailed by filing your application and stating an intention to use it for food products as well.

A: Yes. What I probably should have done was researched the Nestle brand a little bit closer on the Trade-marks Office website so that I could have seen that Nestlé actually makes cheese.

Finally, the evidence shows that Mr. Marcon has not approached a manufacturer to produce any of his applied for wares (under any of the applied for trade-marks) except for bottled water

(q.332) and possibly coolers (q.107-112). He admits that he was aware of the established reputation of most if not all of the marks he had applied for in association with particular wares, and that he has not prepared business plans for any of his products out of fear that the marks he applied for may be opposed (q. 335-q. 337).

I am not aware of any jurisprudence that describes what “bad faith” is in the context of s. 30(i). While I am not sure whether this term applies in the present circumstances, I question how any reasonable person would be satisfied that he/she was entitled to file trade-mark applications for over 18 arguably well known marks for arguably related wares and/or services. I also question the underlying intent of such an applicant in doing so. In my view, the activity of attempting to coat-tail on the established reputation of so many well known marks should be the type of activity that s.30(i) is designed to prevent. In view of the above, I find that the evidence drawn out from Mr. Marcon during cross-examination is sufficient to meet the Opponent’s initial burden with respect to s.30(i).

There was therefore a significant onus on Mr. Marcon to show that he was satisfied that he was entitled to monopolize the applied for mark CORONA for the applied for wares and services throughout Canada. The only evidence filed by Mr. Marcon “demonstrating the sincerity of the Applicant’s desire to use the marks that he has applied for in Canadian commerce” include two of his inactive trade-mark applications for the marks NUTRADENT and ROCKLIN and his patents for dental floss and a fuel tank product.

While I appreciate that Mr. Marcon may have spent a lot of time and effort in developing his products, he has not shown to me that he was satisfied that he was entitled to file the present application for the mark CORONA for the applied for wares and services, or that his intentions were bona fide when he did so. As the ultimate onus is on the Applicant, and as the Applicant has not provided any evidence to convince me, on a balance of probabilities, that he was satisfied as to his entitlement of the applied for mark, the s.30(i) ground succeeds.

Section 30(e) ground

As noted above, s. 30(e) requires the Applicant for a proposed trade-mark to state that the Applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada. In *Hunter Douglas Canada Ltd. v. Flexillum Inc.* (1983), 78 C.P.R. (2d) 212 (T.M.O.B.), Board Member Martin wrote about the purpose of s.30(e) as follows:

“...The wording of s.29(e) [the former version of s.30(e)] of the Act is clear and was obviously intended to prevent applicants from trafficking in trade-marks. Although it is clear from the evidence of record that it was not the applicant's intention to engage in such an activity, it has unfortunately brought itself within the boundaries of the prohibition designed to prevent such abuses... Furthermore, the provisions of the Trade-marks Act relating to proposed use applications comprise a statutory exception to the common law which dictates that trade-mark rights only accrue as a result of use. Thus, as with other statutory exceptions to the common law found in the Act, the provisions relating to proposed use applications should be construed strictly.”

The Opponent submits that, in the present case, the Applicant did not have either the bona fide intention or the capacity to use the trade-mark in Canada, either by itself or through a licensee or by itself and through a licensee, in association with all of the wares and services recited in the application. The submissions of the Opponent in support of this argument may be summarized as follows: 1) the Applicant has not executed a business plan, secured a manufacturer for the product or developed a mock-up of a potential label for its product; 2) the Applicant has stated that he does not intend to use any of its applied for marks until such time as they have been allowed by the trade-marks office; 3) the Applicant is an individual and has advised that his intention with all of the marks he has applied for is that he would essentially subcontract to a manufacturer to produce the product for him and would use the existing manufacturer's distribution chain if it actually fit with what he was doing. (q.61-63); and 4) In view that the Applicant is an individual with no prior experience in marketing any of the wares listed in the various applications (which range from beverages to toiletries to fruit products), he does not have the capability to use all of these marks for all of the wares and services listed and this by itself raises suspicion about his bona fide intention to use the applied for mark.

In my view, the Opponent has succeeded in raising doubt about the veracity of Mr. Marcon's intention to use several of his applied for marks. However, I am not satisfied that the Opponent has met the initial onus resting upon it under s. 30(e) with respect to the applied for mark

CORONA in these proceedings for the following reasons.

First, there is no requirement on the Applicant to show use of its mark until it has been approved (see *Molson Canada v. Anheuser Busch* (2003), 29 C.P.R. (4th) 315 (F.C.T.D.)). Therefore, the fact that Mr. Marcon has not begun to use his CORONA mark in association with beverages is not relevant. Further, there is nothing in his testimony which suggests that he is not intending to use the mark with beverages. He confirmed on cross-examination that he could use the same bottlers that he used to produce ABSOLUT and he also stated that he had been in negotiations to produce a CORONA cooler.

Second, the fact that the Applicant has filed multiple applications for trade-mark registrations for various wares and services does not by itself constitute evidence the Applicant does not intend to use the applied for mark. There is no provision in the Act that prevents an applicant from doing so (see *Canadian Tire Limited v. Raymond Gorsky* (Application No. 758,790; October 19, 2005)).

Finally, an applicant's stated intention to use its mark does not necessarily mean that it will be manufacturing the applied for wares; they may be manufactured by another party on behalf of the applicant (see *Jacobs Suchard Ltd. v. Trebor Bassett Ltd.* (1996), 69 C.P.R. (3d) 569 (T.M.O.B.)).

As a result of the Opponent's failure to meet its evidential burden, I have dismissed the s.30(e) ground of opposition.

Remaining Grounds of Opposition

Each of the remaining grounds of opposition turn on the issue of confusion between the applied for mark and the Opponent's CORONA marks. As I consider the Opponent's case to be strongest with respect to the ground that the Mark is not registrable pursuant to s.12(1)(d) of the Act due to the likelihood of confusion with the Opponent's mark CORONA, as registered under No. TMA598,045, I shall analyze the likelihood of confusion under that ground with respect to

that mark.

The material date with respect to the s.12(1)(d) ground of opposition is the date of my decision (see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)).

The Opponent has met its initial burden because its registration is in good standing.

The test for confusion

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to 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 applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decisions in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 and *Veuve Clicquot Ponsardin v. Boutiques Clicquot Ltée* (2006), 49 C.P.R. (4th) 401. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

The Applicant submits that CORONA is a weak mark. In this regard, it has filed evidence to show the following: 1) that the English translation for the word CORONA is crown; 2) CORONA appears 69 times as a surname on Whitepages.com; and 3) CORONA is the name of a city in California.

I respectfully disagree with the Applicant that the CORONA mark is a weak mark. While the inherent distinctiveness of a mark may be lessened to the extent that it may be perceived as a surname or as a geographical location, I am not satisfied from the evidence filed in the present case that the average Canadian would perceive CORONA as either. In this regard, there is no evidence that the average Canadian would be aware that CORONA was a surname or that there was a city in California by the name CORONA. Further, there is no evidence that the average consumer would know that the English translation for the word CORONA is crown. I therefore find both CORONA marks to be inherently strong since they have no meaning in common parlance with respect to their associated wares or services.

I would like to add that even if it had been shown that the average Canadian were to associate CORONA with “crown”, while this would reduce the inherent distinctiveness of the CORONA mark because it is laudatory, the evidence shows that the strength of the Opponent’s mark has increased through significant use, as described below.

With respect to the extent to which the marks have become known, since the Applicant filed no evidence of use of its mark, I must conclude that its mark had not become known at all in Canada as of the material date. The Opponent, on the other hand, has evidenced long and extensive use of its trade-mark for “brewed alcoholic beverages” or “beer”. In his affidavit, Mr. Armstrong attests to sales by the Opponent of beer bearing the mark CORONA of between \$90 and \$219 million per year between 1998 and 2004. The budget for promotional activities between 2003 and 2004 was \$5 million. Thus, the Opponent’s trade-mark has become very well known in Canada. The length of time that the trade-marks have been in use therefore also favours the Opponent.

When considering the wares, services and trades of the parties, it is the statement of wares or services in the Applicant’s trade-mark application, as amended, and the Opponent’s registration that govern in respect of the issue of confusion arising under s. 12(1)(d) (*Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3

(F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)).

In *Pernod v. Molson* (1992), 44 C.P.R. (3d) 359 (F.C.T.D.)), Justice Denault made the following comments when analysing the issue of confusion in that case between the Opponent's beer and the Applicant's spirits and liqueurs:

“...the wares of both parties are products of the same industry and, as such, there exists the very real possibility that they would be made available to consumers in many of the same outlets. The appellant argued that even if its products were sold in the same retail outlets as those of the respondent, they would be sold in distinct portions of the store, and never side by side. Again, I must emphasize that the potential does exist.

The appellant argued that the means of advertising beer differ from the methods used to advertise spirits and liqueurs and that competition for brewers comes almost exclusively from other brewers. I agree that there may be more to a study of the "nature of the trade" than an examination of the channels of distribution selected by manufacturers of wares. However, in my opinion, the channels of trade in this case constitute a very important consideration to the issue of the likelihood of confusion between these competing marks. Moreover, I was unconvinced by the appellant's bald statement with respect to competition in the industry; in my view, both parties would be competing for consumer dollars spent on alcoholic beverages. In any event, both parties agreed that there is at least a minimal overlap of the beer market and the market for liqueurs and spirits. There is no doubt that allowing the wares of both parties to be distributed in the same types of establishments under similar but competing trade marks would increase the likelihood of confusion in the mind of the average consumer in regards to the source or origin of the wares.

...After reviewing the evidence before this court, it is my opinion that the use of RICARD and RICKARD'S RED in the same area would likely lead to the inference that the wares associated with these marks were manufactured or sold by the same company.

In the present case, although the Opponent's brewed alcoholic beverages differ from the Applicant's "coolers containing distilled spirits", both of these wares could be categorized generally as alcoholic beverages. The remaining applied for wares are also similar to the Opponent's wares as they are all beverages.

As for the channels of trades of the parties, since it has been previously held that beer, wines and

spirits are all products of one industry, the parties' trades would be similar (see *Carling Breweries Ltd. v. Registrar of Trade-marks* (1972), 8 C.P.R. (2d) 247 (F.C.T.D.) at 251). With respect to the Applicant's non-alcoholic beverage wares, the evidence shows that the channels of trade for the applied for wares and the Opponent's beer would overlap in the province of Quebec.

With respect to the degree of resemblance between the trade-marks at issue (s.6(5)(e)), the marks are identical.

Other surrounding circumstances

i) State of the Register Evidence or Marketplace

State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace (*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.)). Inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located (*Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)).

As Exhibits 8, 9 and 10 to his affidavit, Mr. Marcon attaches copies of registrations for the mark CORONA and other marks that include the component CORONA. Out of the 14 third party Canadian registrations, only the registrations for CORONAS and GRAN CORONAS are for marks similar to the applied for mark and used with products in the beverage category (i.e. wine). None of the other CORONA marks are relevant as they are for wares or services unrelated to those in issue.

Although the Applicant has tried to show use of the mark CORONAS in the marketplace by attaching a photocopy of a label for such wine and a copy of what appears to be a page out of product catalogue where this wine appears, the Applicant does not provide any information regarding the extent, manner, and duration of use of this mark in the marketplace. Even if it did, this evidence by itself would still be clearly insufficient to allow me to infer that there has been a

common adoption of CORONA marks in the marketplace in the beverage trade such as to reduce the likelihood of confusion between the marks at issue.

ii) Other identical or similar marks that exist on the Register

Attached as Exhibit 16 to Mr. Marcon's affidavit are Canadian trade-mark registrations for groups of two or more similar or identical marks that were on the register at the date of his affidavit. Mr. Marcon argues that this evidence shows the parallel and co-existing use of these marks in commerce.

I do not consider such evidence relevant to the present proceedings. In this regard, I note that decisions by the Examination Section of the Trade-marks Office to register marks are not binding on this Board and not have precedential value for this Board. This Board is not in a position to explain findings by the Examination Section of the Trade-marks Office. Further, the Examination Section does not have before it evidence that is filed by parties in an opposition proceeding: see the Board decisions in *Thomas J. Lipton Inc. v. Boyd Coffee Co.* (1991), 40 C.P.R. (3d) 272 at 277 and *Procter & Gamble Inc. v. Morlee Corp.* (1993), 48 C.P.R. (3d) 377 at 386.

Conclusion re likelihood of confusion

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees CORONA on the Applicant's beverages or bottling facility, at a time when he or she has no more than an imperfect recollection of the Opponent's trade-mark, and does not pause to give the matter any detailed consideration or scrutiny (see *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltee* (2006), 49 C.P.R. (4th) 401 (S.C.C.)). In view of my findings above, and in particular the Opponent's extensive reputation of its mark in association with beer, the fact that the marks are identical, and the fact that the parties' wares are related and overlap to some degree, it seems to me that such a consumer would, as a matter of first impression, believe that the wares and services associated with the CORONA trade-marks were manufactured and sold by the same person. As stated by Mr. Justice Cattanach in *Conde Nast Publications Inc. v.*

Union des Editions Modernes (1979), 46 C.P.R. (2d) 183 (F.C.T.D.), in a case where a party had appropriated another's mark in its entirety and added a suffix thereto: "If there is doubt whether the registration of a trade-mark would cause confusion with a prior mark the doubt must be resolved against the newcomer." This is merely a natural consequence of the legal onus being on the Applicant to establish, on a balance of probabilities, that confusion is unlikely.

The s. 12(1)(d) ground of opposition therefore succeeds based on registration no. TMA598,045.

As I have already found in favour of the Opponent under two grounds, I will not discuss the remaining grounds of opposition.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application pursuant to s. 38(8).

DATED AT Gatineau, Quebec, THIS 12th DAY OF August, 2008.

Cindy R. Folz
Member,
Trade-marks Opposition Board