



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

Citation: 2012 TMOB 153
Date of Decision: 2012-08-14

**IN THE MATTER OF AN OPPOSITION
by Miguel Torres, S.A. to application
No. 1,267,898 for the trade-mark TORRE
DI GIANO in the name of Cantine
Giorgio Lungarotti S.r.l., limited
company**

[1] On August 10, 2005, Cantine Giorgio Lungarotti S.r.l., limited company (the Applicant) filed an application to register the trade-mark TORRE DI GIANO (the Mark) based on use in Canada since October 20, 1975 in association with the wares “alcoholic beverages (except beers), namely wine”, as amended (the Wares).

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of August 2, 2006.

[3] On October 2, 2006, Miguel Torres, S.A. (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- pursuant to sections 38(2)(a) and 30(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the application does not comply with section 30(b) of the Act because the Applicant has not used the Mark since the date claimed in the application.
- pursuant to sections 38(2)(a) and 30(i) of the Act, the application does not comply with section 30(i) of the Act because at the filing date and at all other material dates, the Applicant was well aware that it was not entitled to use the Mark in Canada in association with the Wares in view of the Opponent’s

registration and prior use of its trade-marks and prior use of its trade-names set out in the following grounds of opposition.

- the Mark is not registrable pursuant to sections 38(2)(b) and 12(1)(d) of the Act because the Mark is confusing with each of the Opponent's registered trade-marks, namely:
 - i. TORRES – TMA191,189
 - ii. TORRES & Design – TMA200,697
 - iii. TOWERS DESIGN – TMA180,365
 - iv. SANGRIA DE TORO – TMA188,420
 - v. SANGRE DE TORO – TMA164,805
 - vi. DON JUAN TORRES – TMA262,043
 - vii. TORRE REAL – TMA652,894
 - viii. NEROLA TORRES & Design – TMA605,984
 - ix. NEROLA TORRES & Design – TMA605,853
 - x. THREE TOWERS DESIGN – TMA533,441

- the Applicant is not entitled to registration of the Mark pursuant to sections 38(2)(c) and 16(1)(a) of the Act because as of the alleged date of first use, and at all other material times, the Mark was confusing with each of the Opponent's trade-marks and with its entire family of trade-marks, set out below, which have been previously used in Canada by the Opponent in association with wine and brandy:
 - i. TORRES – TMA191,189
 - ii. TORRES & Design – TMA200,697
 - iii. TOWERS DESIGN – TMA180,365
 - iv. SANGRIA DE TORO – TMA188,420
 - v. SANGRE DE TORO – TMA164,805
 - vi. GRAN SANGRE DE TORO – 1,287,621

- the Applicant is not entitled to registration of the Mark pursuant to sections 38(2)(c) and 16(1)(c) of the Act because as of the alleged date of first use the Mark was confusing with the Opponent's and its predecessor in title's trade-names, namely, Miguel Torres Carbo, Miguel Torres S.A., Miguel Torres and Torres, previously used in Canada in association with the carrying on of business related to the distribution and sale of wine, other alcoholic beverages, including brandy, and food. If the material date is determined to be after September 29, 1989 in view of the section 30(b) ground, then the Mark was confusing with the Opponent's trade-names Miguel Torres S.A., Miguel Torres and Torres.

- pursuant to sections 38(2)(d) and 2 of the Act, the Mark is not distinctive in that it will not distinguish and is not adapted to distinguish the Wares from the wares and services of others, in particular from the wares in association with which the Opponent has previously registered and used in Canada the trade-marks and trade-names outlined in the other grounds of opposition, namely:
 - i. TORRES 10 – 1,285,880

- ii. TORRES – TMA191,189
- iii. TORRES & DESIGN – TMA200,697
- iv. TOWERS DESIGN – TMA180,365
- v. SANGRIA DE TORO – TMA188,420
- vi. SANGRE DE TORO – TMA164,805
- vii. DON JUAN TORRES – TMA262,043
- viii. TORRE REAL – TMA652,984
- ix. NEROLA TORRES & Design – TMA605,854
- x. NEROLA TORRES & Design – TMA605,853
- xi. THREE TOWERS DESIGN – TMA533,441
- xii. GRAN SANGRE DE TORO – 1,287,621

[4] The Applicant served and filed a counter statement in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof.

[5] In support of its opposition, the Opponent filed an affidavit of Luis de Javier, the director of the legal department for the Opponent, sworn June 11, 2007 with Exhibits A – G. Mr. de Javier was cross-examined on February 15, 2008. The transcript was filed June 25, 2008. The Opponent also filed certified copies of the following registrations and applications: TORRES (TMA191,189); TORRES & Design (TMA200,697); SANGRE DE TORO (TMA164,805); DON JUAN TORRES (TMA262,043); TORRE REAL (TMA652,984); NEROLA TORRES & Design (TMA605,854); THREE TOWERS DESIGN (TMA533,441); TORRES 10 (application No. 1,285,880 (now registration No. TMA680,149)); and GRAN SANGRE DE TORO (application No. 1,287,621).

[6] In support of its application, the Applicant filed the affidavits of Elsebee Ortolani, a former employee of the Applicant, sworn October 21, 2008 with Exhibits EO-1 to EO-22 and Iana Alexova, an articling student employed by the Applicant's agent, sworn October 22, 2008 with Exhibits IA-1 to IA-13. Ms. Ortolani was cross-examined on November 8, 2009. The transcript was filed December 18, 2009 and the responses to undertakings were filed on February 17, 2010. Ms. Alexova was not cross-examined on her affidavit.

[7] Both parties filed written arguments. Only the Opponent was represented at an oral hearing.

Onus and Material Dates

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[9] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30(b) and (i) - the date of filing the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co. v. Canadian Exhibition Management Inc.* (1990), 28 CPR (3d) 428 at 432 (TMOB)].
- sections 38(2)(b)/12(1)(d) - 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)].
- sections 38(2)(c)/16(1) - the claimed date of first use [see section 16(1) of the Act].
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 CPR (4th) 317 (F.C.)].

Preliminary Issue – Documents from Cross-examination of Luis de Javier

[10] The transcript from the cross-examination of Luis de Javier was filed by the Applicant on June 25, 2008, one day after the June 24, 2008 deadline for doing so. At the oral hearing I advised the Opponent that I was granting a retroactive administrative extension of one day to make the transcript of record. However, I did note that no responses to undertakings were filed despite the comments by the Opponent in its written argument that the Opponent had provided such responses to the Applicant on September 19, 2008.

[11] As it was the Applicant's responsibility to file the responses to the undertakings, and as the Opponent has advised me that it had provided these responses to the Applicant on September 19, 2008 (which I note was before the proceedings had advanced to the next stage), based on the particular facts of this case, I will not be drawing any adverse inferences from the fact that I have

not been provided with responses to the undertakings given on the cross-examination of Luis de Javier.

Section 30 Grounds of Opposition

Non-compliance with section 30(b) of the Act

[12] The initial burden on the Opponent is light respecting the issue of non-conformance with section 30(b) of the Act, because the facts regarding the Applicant's first use are particularly within the knowledge of the Applicant [see *Tune Masters v. Mr. P.'s Mastertune Ignition Services Ltd.* (1986), 10 CPR (3d) 84 (TMOB) at 89].

[13] The Opponent may rely on the Applicant's evidence to meet its initial burden in relation to this ground [see *Molson Canada v. Anheuser-Busch Inc.*, (2003), 29 CPR (4th) 315 (FCTD), and *York Barbell Holdings Ltd. v. ICON Health and Fitness, Inc.* (2001), 13 CPR (4th) 156 (TMOB)]. However, the Opponent is under an obligation to 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), aff'd 11 CPR (4th) 489 (FCTD)].

[14] In the present case, the Opponent has not filed any evidence directed to the section 30(b) ground of opposition; however, it makes substantial submissions interpreting the Applicant's evidence in an attempt to meet its evidential burden.

[15] The application alleges use of the Mark in Canada since as early as October 20, 1975. In her affidavit, Ms. Ortolani states that the Applicant has been actively selling wine in Canada in association with the Mark since as early as October 20, 1975 either directly through the various provincial liquor control boards or through the Applicant's Canadian marketing and sales representatives (paragraph 18). Ms. Ortolani stated that since October 20, 1975 the Mark has always been clearly displayed on labels affixed to the Applicant's wine bottles (paragraph 18, paragraph 24 and Exhibit EO-9). In her affidavit, Ms. Ortolani states that the Applicant's wine was approved and registered for listing with the Liquor Control Board of Ontario (LCBO) and Société des Alcools du Québec (SAQ) in 1979 and 1982, respectively (paragraph 20).

[16] Ms. Ortolani attaches to her affidavit an invoice dated October 20, 1975 from the Applicant to the LCBO showing sales of the Applicant's wine sold under the Mark to the LCBO (Exhibit EO-5).

[17] In response to undertakings given on cross-examination, Ms. Ortolani provided a second copy of the October 20, 1975 invoice as well as a bank statement as proof of payment therefore. I note that the bank statement is dated January 20, 1976. Ms. Ortolani also clarified that the sale associated with the October 20, 1975 invoice was a private sale to a private client. This fact explains how the Applicant was able to evidence sales in Canada prior to the date the wine was listed with the LCBO and SAQ which occurred in 1979 and 1982, respectively.

[18] In further support of the Applicant's sales, in response to undertakings given on cross-examination Ms. Ortolani provided invoices (and bank statements, where available) from 1974-2007 for sales of the Applicant's wine in Canada through the LCBO and SAQ.

[19] The Applicant provided sales figures for wine sold in association with the Mark from 1980-2007 (Ortolani affidavit, paragraph 22, Exhibit EO-7) as well as sample labels representative of how the Mark appeared on wine bottles in 2006, 2003, 1993, 1981, 1979 and prior to 1979 (Ortolani paragraph 24, Exhibits EO-9).

[20] The Opponent submits that the Applicant's evidence does not establish continuous use of the Mark since the date claimed. Specifically, the Opponent relies on comments made by Ms. Ortolani on cross-examination where she admitted that not all wine delivered to liquor outlets would necessarily be sold, as some would be used as samples, some broken and some found to be corked, or the like, with breakage being greater in the past (Q196-199). Furthermore, on cross-examination Ms. Ortolani admitted that invoices do not accompany the goods, but rather are delivered subsequently by mail (Q226-232). Finally, the Opponent submits that on cross-examination Ms. Ortolani admitted that the goods associated with the October 20, 1976 invoice would have reached Canada approximately ten days after the date of the invoice (Q233-247, in particular Q239).

[21] Based on the foregoing, the Opponent submits that there is no guarantee that the products associated with the October 20, 1975 invoice reached a consumer, particularly in light of Ms.

Ortolani's comments regarding the amount of breakage occurring at that time. In view of this, the Opponent submits that the Applicant has not proven, on a balance of probabilities that it did in fact have products bearing the Mark in the hands of consumers and subject to ordinary commercial transactions as of the date of first use claimed.

[22] I agree with the Opponent that the actual transfer of possession for the wine relating to the October 20, 1975 invoice would likely have taken place after October 20, 1975. This is particularly true in light of the bank statement which shows that payment for that invoice was not made until January 20, 1976. However, the evidence includes invoices to the LCBO and SAQ dated from 1974 – 2007 with supporting proof of payment. This evidence includes an invoice to the SAQ dated September 13, 1974 with what appears to be the corresponding bank statement dated December 10, 1974 evidencing proof of payment. Thus, the Applicant has provided evidence supporting a sale to a Canadian purchaser (the SAQ) predating the claimed first use date.

[23] At the oral hearing, the Opponent addressed this evidence and submitted that it was not clear that these early sales were made in the normal course of trade. Rather, the Opponent submitted that sales of “private stock for a private client”, as stated by Ms. Ortolani in her responses to undertakings given on cross-examination, would not constitute sales of the Wares in the normal course of trade.

[24] The Opponent submitted that we have not been provided with evidence regarding what would constitute the normal course of trade for the Wares. I disagree. The evidence supports a finding that the Applicant sells its wines through the various provincial liquor control boards or through the Applicant's Canadian marketing and sales representatives (Ortolani affidavit, paragraph 18). These early sales show sales to the LCBO in Ontario and the SAQ in Quebec as intermediaries in the Applicant's chain of distribution.

[25] In *Manhattan Industries Inc. v. Princeton Mfg. Ltd.* (1971), 4 CPR (2d) 6 (FCTD) at 16-17, the Federal Court stated that “...section 4 contemplates the normal course of trade as beginning with the manufacturer, ending with the consumer and with a wholesaler and retailer or one of them as intermediary [...] In other words – if any part of the chain takes place in Canada, this is “use” in Canada within the meaning of section 4.” In the present case, we have evidence

showing sales of wine bearing the Mark to intermediaries (the LCBO and SAQ) from approximately December 1974 to 2007.

[26] Based on the foregoing, I find that when the evidence is viewed as a whole, it is not clearly inconsistent with the claimed use date. Rather, I am satisfied that the evidence establishes that the Applicant has sold wine in bottles bearing labels featuring the Mark since at least as early as October 20, 1975.

[27] Based on the foregoing, the Opponent has failed to meet its evidential burden and the ground of opposition based on section 30(b) of the Act is dismissed.

Non-compliance with section 30(i) of the Act

[28] Where an applicant has provided the statement required by section 30(i), a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the section 30(i) ground is accordingly dismissed.

Non-registrability Ground of Opposition – Section 12(1)(d) of the Act

[29] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registrations relied upon are in good standing as of the date of the opposition decision. The Registrar has discretion to check the register in order to confirm the existence of the registrations relied upon by an opponent [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised that discretion and confirm that the registrations for the Opponent's TORRES marks remain valid.

[30] 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.

[31] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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 in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 CPR (4th) 321 (SCC). and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 96 CPR (4th) 361 (SCC).]

[32] Throughout my discussion of the evidence as it applies to the analysis of the grounds of opposition, I will not refer to or place any weight on any statements made by any of the affiants which constitute opinions on issues that go to the merit of the opposition [see *British Drug Houses Ltd. v. Battle Pharmaceuticals* (1944), 4 CPR 48 at 53 and *Les Marchands Deco Inc. v. Société Chimique Laurentide Inc.* (1984), 2 CPR (3d) 25 (TMOB)].

[33] Most of the Opponent's marks feature the word TORRES which makes up the only element of the Opponent's marks which shares any resemblance with the Mark. Some of the Opponent's marks include design elements which do not share any similarity with the Mark. As a result, I consider registration No. TMA191,189 for the trade-mark TORRES registered for "wine and brandy, both of Spanish origin" (the Opponent's Wares) to present the Opponent's strongest case.

[34] I will therefore address the section 12(1)(d) ground by focusing on the likelihood of confusion between the trade-mark TORRES of registration No. TMA191,189 and the Mark. Thus, the success or failure of this ground will turn on the issue of confusion with this registration.

Section 6(5)(a) – inherent distinctiveness and the extent to which the marks have become known

[35] Both parties have submitted that the word TORRE(S) means "tower(s)" in Spanish and Italian. However, no evidence has been provided to support a finding that the average Canadian consumer would be aware of this fact. Rather, I am of the view that the average Canadian consumer would be more likely to interpret the word as a coined word.

[36] The Applicant submits that the word TORRES has some surname significance. In support of this the Applicant relies on the search results from the *www.canada411.ca* directory adduced as an exhibit to the Alexova affidavit (paragraph 18, Exhibit IA-12). The Applicant also points to the fact that on cross-examination Mr. de Javier admitted that the Opponent chose the name TORRES as it is the founding family's surname (Q193-194). I accept that the evidence establishes that the word TORRE(S) has some surname significance. However, the Opponent submits, and I agree, that there is no evidence to support a finding that the average Canadian would necessarily equate the word TORRES with a Spanish surname.

[37] The Applicant submits that the words DI GIANO in the Mark are a reference to the town in which the Applicant has its head office, namely Torgiano, Italy. The Applicant relies on Ms. Ortolani's affidavit wherein she states that the name of the town, Torgiano, is said to be a contraction from the Italian terms "Torre di Giano" in reference to the site of a Roman tower dedicated to Janus (paragraph 9, Exhibit EO-2). Ms. Ortolani makes this statement based on information and belief and thus it is *prima facie* hearsay [see *Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.)]. In any event, the average Canadian would not be aware of this meaning and again would be more likely to interpret the words as being coined words.

[38] Based on the foregoing, I assess the inherent distinctiveness of the parties' marks as being the same and as being relatively high.

[39] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. I will now turn to the extent to which the trade-marks have become known in Canada.

[40] As discussed above in the analysis of the section 30(b) ground of opposition, the Applicant provides evidence of use and reputation for the Mark in Canada since approximately 1975. The Applicant submits that since 1975 it has sold at least 1,089,060 bottles of wine under the Mark for a total of at least \$2,518,792.56 in sales (Ortolani affidavit, paragraph 22). Sales are made by the Applicant to the liquor control boards in all of the Canadian provinces and to wine agents in at least the provinces of Alberta, BC, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (Ortolani affidavit, paragraph 22). The Applicant states that approximate sales of

wine sold in Canada by the Applicant under the Mark, from 1980 – 2007 ranged from \$7,137.49 to \$240,012.88 per year (Ortolani affidavit, paragraph 22).

[41] The Applicant also provides promotional expenses. Specifically, Ms. Ortolani states that in 1981 projected spending for promotion and advertisement for the Applicant’s wine sold under the Mark amounted to at least \$10,000 (paragraph 30). Ms. Ortolani states that occasionally the Applicant’s wine is mentioned in articles written for and published in media aimed at Canadian customers (paragraph 32, Exhibit EO-18). I note that Ms. Ortolani does not provide any circulation figures for these publications. Ms. Ortolani states that in 2006, the Applicant’s wine produced in 2004 and sold under the Mark was among the wines that were evaluated and acknowledged as part of the 2006 International Value Wine Awards (paragraph 33, Exhibit EO-19). Ms. Ortolani states that at least two of the Opponent’s wines were also evaluated and acknowledged as part of that competition including the Spanish red wine Miguel Torres 2001 Gran Sangre de Toro (paragraph 33, Exhibit EO-19). Ms. Ortolani states that the Applicant’s wine produced in 2005 and sold under the Mark was awarded a “Silver” ranking in the Dry White Wine category of the 2006 International Wine Competition for the Ottawa Wine and Food Show (paragraph 34, Exhibit EO-20).

[42] The Opponent provides evidence of use and reputation for the TORRES mark since approximately 1966. The Opponent provides sales figures for wines bearing one or more of the TORRES marks for the years 1966-2006 ranging from \$7,875 for 1966 to \$4,248,655 for 2006 (de Javier affidavit, paragraph 8). The Opponent provides sample invoices for sales of wine in association with the TORRES marks from 1995 – 2006 (de Javier, paragraph 12, Exhibit A). The Opponent also provides sales figures for brandy sold under the TORRES marks (de Javier affidavit, paragraph 9), and oils and vinegar sold under the TORRE REAL mark (de Javier paragraph 10 and 11) however, for the purposes of the present opposition wine is the most important product as it is identical to the Applicant’s product.

[43] The Opponent also provides the annual advertising and promotional budgets for products bearing the Opponent’s TORRES marks for 2002 to 2006 (de Javier affidavit, paragraph 14). The budgets range from a low of \$119,829 in 2003 to a high of \$215,359 in 2006. In his affidavit Mr. de Javier states that these figures pertain to advertisements in magazines, newspapers and

brochures distributed throughout Canada as well as to product testing, public relations events and travel associated with promotion (paragraph 14).

[44] Mr. de Javier states that brochures, pamphlets and point of sale materials promoting the Opponent and its products are supplied to Canadian distributors or directly to liquor control boards and wine vendors, who then make them available to Canadian end consumers (paragraph 16). Mr. de Javier attaches to his affidavit samples of some of the Opponent's product brochures which would be made available to Canadian consumers in the various Canadian establishments which sell goods branded with one or more of the Opponent's TORRES marks (Exhibit C).

[45] Mr. de Javier states that the photographs contained in the catalogues demonstrate some of the ways in which the Opponent's trade-marks are applied to the Opponent's products and that the materials also show use of the Opponent's trade-names (paragraph 18). I note that the promotional brochures feature the TORRES mark both generally on the brochure and also as appearing on labels on products in photographs in the brochures. Mr. de Javier attaches to his affidavit photographs of products bearing one or more of the TORRES marks (Exhibit E). Mr. de Javier states that the products shown were purchased in Canada and that they provide examples of the manner in which the TORRES marks are used in Canada in association with the Opponent's wares. I note that the photographs feature the TORRES mark on labels applied to wine. Mr. de Javier attaches samples of labels, all bearing one or more of the Opponent's TORRES marks and which he states appear on goods sold by the Opponent to Canadian consumers (Exhibit F). Each of the labels displays the TORRES mark. Mr. de Javier indicates that some of the labels also demonstrate use of the Opponent's trade-names, namely Miguel Torres, S.A., Miguel Torres and Torres (de Javier, paragraph 19, Exhibit F).

[46] Mr. de Javier also attaches copies of promotional materials including newspaper and magazine articles wherein the Opponent's trade-names or TORRES branded products are referenced (Exhibit G). He states that the magazines and newspapers in which these articles appeared are distributed in Canada and were available to Canadians either via subscription or for purchase at newsstands or the like (paragraph 20). Mr. de Javier's statements regarding the circulation of these publications constitutes hearsay, however, I note that some of these publications are major Canadian daily newspapers (e.g. The Globe and Mail, 2001, 2002, 2004;

Toronto Star, 2003; National Post, 2004) for which I may take judicial notice [see *Northern Telecom Ltd. v. Nortel Communications Inc.* (1987), 15 CPR (3d) 540 at 543 (TMOB)]. These are of limited importance, however, as I note that they are not advertisements but rather articles in which the Opponent's wines are discussed.

[47] The evidence demonstrates that, while both parties' marks have been used in Canada for a significant period of time, the Opponent has established a greater degree of reputation for the TORRES marks, particularly in the form of greater sales figures for the Opponent's Wares.

[48] Considered as a whole, this factor favours the Opponent.

Section 6(5)(b) – the length of time each has been in use

[49] As discussed further above in the analysis of the section 6(5)(a) factor, the Applicant has established use of the Mark since approximately October 1975. The Opponent has established use of the TORRES mark since approximately 1966.

[50] Based on the foregoing, this factor favours the Opponent.

Section 6(5)(c) – the nature of wares, services or business

[51] It is the Applicant's statement of wares as defined in its application versus the Opponent's registered wares that govern my determination of this factor [see *Esprit International v. Alcohol Countermeasure Systems Corp.* (1997), 84 CPR (3d) 89 (TMOB)].

[52] The parties' wares overlap in that both parties' marks are used in association with wine.

[53] The parties both made submissions on the issue of the geographic origin of the parties' wines. The Applicant attempted to distinguish the parties' wines on account of their emanating from different countries. Specifically, the Applicant submitted that it was relevant that the Opponent's wines originated in Spain, Chile and California whereas the Applicant's wine originated in Italy and the parties' wines were awarded different "appellations of origin". I do not agree with the Applicant's submissions on this point for the reasons that follow.

[54] Firstly, I note that there is no restriction in the Applicant's statement of Wares limiting the Applicant to selling only wines of Italian origin. Furthermore, on cross-examination Ms. Ortolani admitted that the Applicant could potentially acquire a winery in Spain and begin selling wines of Spanish origin (Q450).

[55] Secondly, I note that the evidence is clear that appellations of origin do not mean anything to the average North American consumer (cross-examination of de Javier, Q148, 151) such that the display of different appellations of origin on the parties' wine bottles would not mean anything to the average consumer in any event.

[56] Based on the foregoing, I find that the parties' wares are identical and thus this factor favours the Opponent.

Section 6(5)(d) – the nature of the trade

[57] The Applicant submits that the Wares are sold through intermediaries, such as liquor control boards in all of the Canadian provinces and wine agents in at least the provinces of Alberta, British Columbia, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (Ortolani affidavit, paragraph 22). The Applicant's wines can be purchased by end consumers through these intermediaries as well as at restaurants which feature the Applicant's wines on their wine lists (Ortolani affidavit, paragraphs 22, 29).

[58] The Opponent submits that it is a wine-grower and wine and brandy producer and exporter that sells its products through Canadian distributors in several provinces (de Javier affidavit, paragraph 6). The Opponent submits that these distributors in turn sell the Opponent's wine to liquor control boards and other wine vendors in Canada (de Javier affidavit, paragraph 6). The liquor control boards and other wine vendors then sell the products to end-consumers (de Javier affidavit, paragraph 6). The Opponent also sells edible oils, vinegars and preserved, dried and cooked fruits and vegetables under the TORRE REAL mark which are imported into Canada and distributed by Olive & Olives in Montreal (de Javier affidavit, paragraph 6)

[59] The evidence shows that the parties' wines are in fact sold through the same US importer (Ortolani affidavit, paragraph 40).

[60] The evidence also shows that the parties' wines belong to the same class, namely the under 25\$/bottle price class (cross-examination of Ms. Ortolani at Q418 and 422).

[61] The Applicant submits that both parties have acknowledged that the name of the winery or producer is a very significant element in the selection and purchase of wines. The Applicant points out that in the present case, the name of the Applicant winery or producer is LUNGAROTTI, whereas the name of the winery or producer for the Opponent's wines is TORRES. At the oral hearing, the Opponent submitted that this ignores the fact that on cross-examination Ms. Ortolani admitted that if a customer merely glanced at a wine label he or she may not be able to determine which name is the producer and which is the brand name of the wine (Q461, 465-467, 470-473). This is particularly relevant given that the test for confusion is one of first impression and imperfect recollection, not a side by side comparison of the parties' marks (or labels, as the case may be).

[62] Ms. Ortolani stated on cross-examination that she is of the view that Canadian wine consumers are very well educated in that they read books and magazines about wines and are thus well informed about the origins of wines, etc. The Opponent submits, and I agree, that this is not the average Canadian consumer as is required for the confusion test [see *Mattel, supra*]. The Applicant sets the bar too high. In summary, the Opponent submits that Ms. Ortolani classifies the average consumer of the Wares as more sophisticated than would actually be the case. I agree.

[63] The Applicant submits that the purchase of wine is a unique buying experience. Furthermore, the Applicant submits that the fact that wines in Canada are sold mostly in stores controlled by liquor boards, which are specialized in the sale of wines and other alcoholic beverages, in which the display of products is planned, structured, and geographically-organized and which are staffed by individuals trained in the sale of these particular kinds of products is relevant serves to decrease the likelihood of confusion between the parties' marks.

[64] I am unable to make a clear finding on the manner in which wines are organized and displayed in the liquor control board stores or on restaurant menus based on the evidence of record. It would seem that wines are often grouped geographically, however, they are also divided by colour (red, white and rosé). Furthermore, the evidence suggests that even if the

wines are divided by geographical origin, wines from Spain and Italy are often found in close proximity to each other by virtue of the geographical proximity of Spain and Italy. However, I do not find this to be determinative in any event, as I am satisfied that the evidence supports a finding that the parties' wares would be sold in the same stores and in the same restaurants and that this is sufficient to find an overlap in the parties' channels of trade.

[65] I am not willing to accept the Applicant's submissions regarding the importance of what the Applicant submits as being the unique nature of the wine industry. Even if I was willing to accept that the nature of the wine trade is such that the average consumer takes more time and considers more factors in making their decisions, I note that the Supreme Court of Canada recently commented on the issue of the sophisticated consumer in *Masterpiece*. The test for confusion is one of first impression [see *Polo Ralph Lauren Corp. v. United States Polo Assn.* (2000), 9 CPR (4th) 51 (FCA)]. Any subsequent steps taken by sophisticated consumers in an attempt to remedy any such first instance confusion are irrelevant [by analogy see paragraphs 68-74 of *Masterpiece, supra*].

[66] Based on the foregoing, this factor favours the Opponent.

Section 6(5)(e) – the degree of resemblance between the marks in appearance or sound or in the ideas suggested by them

[67] The parties' marks share the word TORRE(S). While the parties have agreed that this means "tower(s)" in English, I have no evidence supporting a finding that the average Canadian would be aware of this translation. As a result, the shared word TORRE(S), a coined word, is highly distinctive. While the Mark does not incorporate the whole of the Opponent's TORRES mark, I am not satisfied that the absence of the "s" which merely signifies the plural, creates a significant difference.

[68] "Although the marks are not to be dissected when determining matters of confusion, it has been held that the first portion of a trade-mark is the most relevant for purposes of distinction." [see *K-Tel International Ltd. v. Interwood Marketing Ltd.* (1997), 77 CPR (3d) 523 (FCTD) at 527] In the present case, the first portion of the Mark is essentially identical to the entirety of the Opponent's TORRES mark.

[69] The inclusion of the word TORRE (almost the entirety of the Opponent's TORRES mark) in the Mark creates a significant degree of similarity in sound, appearance and idea suggested between the parties' marks.

[70] Based on the foregoing, this factor favours the Opponent.

Additional Surrounding Circumstance – No evidence of actual confusion

[71] The Applicant submits that it is relevant to note that despite the fact that the evidence shows that the parties' wines have been coexisting in the Canadian marketplace since 1975, the Opponent has not filed any evidence of actual confusion

[72] The Applicant submits that while the Opponent is not required to show any instances of actual confusion, the absence of such evidence must be considered among the surrounding circumstances in assessing whether there is a likelihood of confusion. The Applicant submits that in the present case, the parties' wines have coexisted in the Canadian marketplace for more than thirty years without any complaints or actual cases of confusion (Ortolani affidavit, paragraph 39, 41). More specifically the Applicant submitted that the products sold under the Mark have been available for several decades in several stores of liquor boards where the Opponent's products were also offered and sold and available on at least one common restaurant menu and that despite this neither the Applicant nor the Opponent has ever been aware of any actual case of confusion (Ortolani affidavit, paragraphs 29, 39, 41).

[73] The Opponent, however, submits that on cross-examination, Ms. Ortolani admitted that she did not conduct any enquiries to support her statement that no instances of actual confusion have ever occurred (Q370-371; 446-447).

[74] The Federal Court of Appeal commented on this issue in *Dion Neckwear Ltd. v. Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA) at para 19 as follows:

With respect to the lack of evidence by the opponent of actual confusion, the Registrar expressed the view that an opponent does not need to file that kind of evidence. This is true in theory, but once an applicant has filed some evidence which may point to an unlikelihood of confusion, an opponent is at great risk if, relying on the burden of proof the applicant is subject to, it assumes that it does not need to file any evidence of

confusion. While the relevant issue is “likelihood of confusion” and not “actual confusion”, the lack of “actual confusion” is a factor which the courts have found of significance when determining the “likelihood of confusion”. An adverse inference may be drawn when concurrent use on the evidence is extensive, yet no evidence of confusion has been given by the Opponent.

[75] In this case we have evidence that the parties’ wines were available for sale at the same liquor control boards (e.g. LCBO and SAQ), were listed on at least one common restaurant menu (e.g. Bistro One, as stated by Ms. Ortolani at Q366 of her cross-examination) and were award winners in the same wine contest (e.g. the 2006 International Value Wine Awards, Ortolani affidavit paragraph 33, Exhibit EO-19).

[76] At the oral hearing, the Opponent submitted that while the lack of evidence of actual confusion can be relevant, the Applicant is attempting to place too much emphasis on this factor. The Opponent submitted that obtaining evidence of this nature would be logistically difficult. Specifically, the Opponent submitted that this would require organizations like the LCBO and the SAQ to have policies in place for tracking confusion. The Opponent submitted that the logistical difficulties associated with this (it would require confused consumers to return the improperly purchased product citing confusion as the reason for the return) along with the fact that the parties’ wines are relatively inexpensive serve to mitigate the importance of this factor.

[77] Based on the foregoing, under the circumstances of the present case I am not satisfied that the lack of evidence of actual confusion supports the Applicant’s position.

Additional Surrounding Circumstance – State of the Register and Marketplace Evidence

[78] The Applicant filed substantial state of the register evidence. Specifically, Ms. Alexova attaches to her affidavit particulars of registrations for trade-marks featuring the word “tower” in English (tower), French (tour), Spanish (torre) and Italian (torre). A significant number of marks featuring these words were found. However, for the purposes of determining whether the element TORRE is common to the trade, I find that marks containing the English and French versions of the word are not relevant. As such, only the trade-marks which include the TORRE(S) element are relevant for the purposes of assessing the state of the register.

[79] When analyzing the relevance of state of the register evidence, it must be noted that such evidence will only be relevant insofar as one can make inferences from it about the state of the marketplace. Inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 CPR (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 CPR (3d) 349 (FCA)].

[80] Only six registrations were found which incorporate the TORRE(S) element. I am not satisfied that six relevant registrations are sufficient to enable me to draw an inference about the state of the marketplace. As a result, I am not willing to place any weight on this state of the register evidence filed by the Applicant.

[81] Ms. Alexova also adduced state of the register evidence from various foreign countries (USA, EU and International Registrations pursuant to the Madrid Protocol). Without evidence regarding the laws of these countries or marketplace considerations in these foreign jurisdictions I do not find the evidence regarding the state of foreign trade-mark registers to be relevant.

[82] Ms. Alexova also adduced state of the marketplace evidence in the form of results from searches of the SAQ and LCBO websites. In the absence of information regarding the necessity and reliability of such evidence, I am not willing to rely on the Internet state of the marketplace evidence filed by Ms. Alexova for the truth of its contents [see *Candrug Health Solutions Inc. v. Thorkelson* (2007), 60 C.P.R. (4th) 35 (F.C.), reversed (2008), 64 C.P.R. (4th) 431 (F.C.A.)].

[83] Based on the foregoing, this does not form a relevant surrounding circumstance supporting the Applicant's position.

Additional Surrounding Circumstance – Opponent's Family of TORRES Marks

[84] The Opponent cited the alleged family of TORRES trade-marks as serving as an additional surrounding circumstance supporting the Opponent's position. I note that only the trade-marks which incorporate the TORRES element may be considered as members of the TORRES family of marks. In other words, the Opponent's SANGRE DE TORO (TMA164,805),

THREE TOWERS DESIGN (TMA533,441) and GRAN SANGRE DE TORO (TMA582,434) marks cannot form part of the Opponent's alleged family of trade-marks.

[85] In order to rely on a family of marks, the party must evidence use of those marks in the marketplace [see *McDonald's Corp. v. Yogi Yogurt* (1982), 66 CPR (3d) 101 (FCTD)]. The evidence shows the following TORRES marks on labels for the Opponent's products:

- i. TORRES – TMA191,189
- ii. TORRE REAL – TMA652,894
- iii. NEROLA TORRES & Design – TMA605,854
- iv. NEROLA TORRES & Design – TMA605,853

[86] I am thus satisfied that the Opponent has established the existence of a family of at least four trade-marks incorporating the TORRES element. One of these trade-marks is the mark TORRE REAL subject to registration No. TMA652,894 for the wares “edible oils; vinegars and preserved, dried and cooked fruits and vegetables”. At the oral hearing, the Opponent submitted that the Opponent's line of food products sold under the TORRE REAL mark shows that the Opponent's interests extend beyond wine and that this further supports the extensive reputation the Opponent has established for its TORRES marks.

[87] I find that the TORRE REAL mark is important for two reasons. Firstly, I agree that the evidence supports a finding that the Opponent has established a reputation for one of its TORRES marks outside the wine and brandy industries thereby extending the Opponent's renowned in the Canadian marketplace. Specifically, the Opponent has provided sales figures for oils and vinegars sold under the TORRE REAL mark (de Javier, paragraphs 10-11). Secondly, I find that the fact that the Opponent owns a trade-mark featuring the element TORRE instead of TORRES further supports the Opponent's position that consumers confronted with the Mark will be likely to believe that the parties' wines emanate from the same source.

[88] At the oral hearing, the Opponent submitted that whether or not they have succeeded in establishing use of a family of TORRES marks is not determinative of the issue of confusion. The Opponent submitted that the trade-mark TORRES on its own is sufficient to create a likelihood of confusion with the Mark.

Additional Surrounding Circumstance – Other TMOB Decisions Involving Wines

[89] At the oral hearing, the Opponent cited a number of decisions wherein similar marks used in association with wines or other alcoholic beverages were found to be confusing. I have considered the Opponent's submissions and reviewed these decisions; however, I note that every case is to be determined on its own facts.

Conclusion

[90] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, in particular the fact that the parties' wares are identical as well as the extent to which the Opponent's TORRES mark has become known and the length of time it has been in use, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's TORRES mark.

[91] Having regard to the foregoing, the ground of opposition based on section 12(1)(d) is successful.

Non-entitlement Grounds of Opposition

Section 16(1)(a) of the Act

[92] Despite the onus of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's TORRES Marks, the Opponent has the initial onus of proving that one or more of the trade-marks alleged in support of its ground of opposition based on section 16(1) of the Act was used in Canada prior to the claimed date of first use (October 20, 1975) and had not been abandoned at the date of advertisement of the application for the Mark (August 2, 2006) [section 16(5) of the Act].

[93] As discussed more fully above in the analysis of the section 12(1)(d) ground of opposition, I am satisfied that the Opponent has evidenced use of the Opponent's TORRES mark at the material dates and thus has met its evidential burden.

[94] The difference in material dates, while lengthy, is not significant and as a result my findings under the ground of opposition based on section 12(1)(d) of the Act are equally applicable here. As a result, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's TORRES mark.

[95] Based on the foregoing, the ground of opposition based on section 16(1)(a) of the Act is also successful.

Section 16(1)(c) of the Act

[96] Despite the onus of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent and its predecessor-in-title's trade-names, Miguel Torres Carbo, Miguel Torres S.A., Miguel Torres and Torres, the Opponent has the initial onus of proving that one or more of the trade-names alleged in support of its ground of opposition based on section 16(1) of the Act was used in Canada prior to the claimed date of first use (October 20, 1975) and had not been abandoned at the date of advertisement of the application for the Mark (August 2, 2006) [section 16(5) of the Act].

[97] The evidence demonstrates that the Opponent displays its trade-names Miguel Torres S.A. and Torres on the labels for its wines (de Javier, paragraph 19, Exhibit F). Furthermore, as discussed more in the analysis of the section 12(1)(d) ground of opposition, the Opponent has sold wine bearing these labels since approximately 1966. Based on the foregoing, I am satisfied that the Opponent has evidenced use of its trade-names Miguel Torres S.A. and Torres as at the material dates and thus has met its evidential burden.

[98] The difference in material dates, while lengthy, is not significant and as a result my findings under the ground of opposition based on section 12(1)(d) of the Act are equally applicable here. As a result, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Torres trade-name.

[99] Based on the foregoing, the ground of opposition based on section 16(1)(c) of the Act is also successful.

Non-distinctiveness Ground of Opposition – Section 38(2)(d) of the Act

[100] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its Wares from those of others throughout Canada [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 CPR (3d) 272 (TMOB)], there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness.

[101] Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the filing of the statement of opposition, one or more of the Opponent's TORRES marks and trade-names had become known sufficiently to negate the distinctiveness of the Mark [see *Bojangles' International, LLC v. Bojangles Café Ltd.* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FCTD)].

[102] As discussed more fully in the analysis of the registrability and entitlement grounds of opposition, the Opponent was successful in establishing that the Opponent's TORRES mark and Torres trade-name had become known to some extent as of the date of filing the statement of opposition and as a result the Opponent has met its evidential burden.

[103] The difference in material dates is not significant and as a result my findings under the registrability and entitlement grounds of opposition are equally applicable here. As a result, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and each of the Opponent's TORRES mark and Torres trade-name and thus, the non-distinctiveness ground is also successful.

Disposition

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

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office