



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

Citation: 2013 TMOB 106
Date of Decision: 2013-06-13

**IN THE MATTER OF AN
OPPOSITION by Pacific Western
Brewing Company Ltd. to
application No. 1,303,617 for the
trade-mark PACIFICO LIGHT in
the name of Cerveceria Del
Pacífico, S.A. de C.V.**

FILE RECORD

[1] On May 31, 2006, Cerveceria Del Pacifico, S.A. de C.V., filed an application to register the trade-mark PACIFICO LIGHT for use in association with the wares “beer” based on (1) proposed use in Canada, and (2) use and registration of the mark in Mexico.

[2] The applicant had also filed two related applications for the word mark PACIFICO CLARA and for the label PACIFICO & Design (shown below).



The two related applications were based on use in Canada since at least as early as October 1998 rather than on proposed use or use and registration abroad. However, the two related applications were abandoned shortly before the oral hearing which was scheduled for the three opposition cases to be heard together.

[3] The subject application for PACIFICO LIGHT was advertised for opposition purposes in the *Trade-marks Journal* issue dated July 2, 2008 and was opposed by Pacific Western Brewing Company Ltd. on August 18, 2008. The Registrar forwarded a copy of the statement of opposition to the applicant on September 30, 2008, as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[4] The opponent's evidence consists of the affidavits of Kazuko Komatsu and Kathy Barry. The applicant's evidence consists of the affidavit of Generosa Castiglione; Mabel Hung; Jane Buckingham; and Robert William Armstrong. The applicant subsequently requested, and was granted, leave to submit the affidavit of Stewart Piddle in substitution for the affidavit of Robert William Armstrong: see the Board ruling of January 27, 2011. Mr. Priddle was cross-examined on his affidavit testimony. The transcript of his cross-examination and a related undertaking form part of the evidence of record. The opponent's evidence in reply consists of the affidavit of Rosana Wedenig. Only the opponent filed a written argument, however, both parties were represented at an oral hearing held on May 30, 2013.

STATEMENT OF OPPOSITION

Pleadings

[5] The opponent pleads that it is the registered owner of 11 registered "PACIFIC" trade-marks, that is, marks comprised of the term PACIFIC, including the marks PACIFIC; PACIFIC DRAFT, PACIFIC PILSNER & Design; and PACIFIC WESTERN for use in association with the wares brewed alcoholic beverages. The opponent has previously used its marks in association with beer and has used its trade-name Pacific Western Brewing Company Ltd. in connection with the business of brewed alcoholic beverages.

Grounds of Opposition

[6] The grounds of opposition alleged by the opponent may be summarized as shown below.

1. *Section 30(d)*

The applicant did not provide sufficient particulars of its foreign registration for PACIFICO LIGHT.

2. *Section 30(i)*

The applicant could not have been satisfied that it is entitled to use the applied-for mark PACIFICO LIGHT in view of the opponent's marks.

3. *Section 12(1)(d)*

The applied-for mark PACIFICO LIGHT is not registrable because it is confusing with one or more of the opponent's registered marks.

4. *Section 14*

The applied-for mark PACIFICO LIGHT is not registrable because (i) it is confusing with one or more of the opponent's registered marks and (ii) it differs from the mark registered in Mexico.

5. *Section 16*

The applicant is not entitled to register the applied-for mark PACIFICO LIGHT since it is confusing with the opponent's marks and trade-name previously used in Canada.

6. *Section 2*

The applied-for mark PACIFICO LIGHT is not distinctive of the applicant's beer in view of the opponent's prior use of its marks and trade-name.

OPPONENT'S EVIDENCE

Kazuko Komatsu

[7] Ms. Komatsu identifies herself as the owner, President and CEO of the opponent company. The opponent and its predecessors have been in operation in British Columbia manufacturing and selling beer in association with its PACIFIC trade-marks since at least 1984. The opponent's marks are prominently displayed on beer bottles, beer cans and carton packaging as is evident from the various exhibits attached to Ms. Komatsu's affidavit. The opponent's trade-name Pacific Western Brewing appears on every can or bottle of beer sold by the opponent. The opponent's wholesale sales figures for beer sold under its marks PACIFIC PILSNER & Design; PACIFIC; PACIFIC GENUINE DRAFT,

and PACIFIC DRAFT combined averaged about \$4 million annually from 1992 to 2005, and about \$8.2 million annually for the years 2006 to 2007. Sales for the years 2008 and 2009 are in excess of \$10 million annually.

Kathy Barry

[8] Ms. Barry identifies herself as a library assistant employed by the firm representing the opponent. Her affidavit introduces into evidence entries from Spanish-English dictionaries showing that the Spanish word “pacífico” means “pacific” in English. I do not find that Ms. Barry’s evidence is of much probative value.

APPLICANT’S EVIDENCE

Stewart Priddle – Affidavit Evidence

[9] Mr. Priddle identifies himself as a Director of Marketing for a joint venture (“MMI”) where one of the parties owns the applicant company. MMI is responsible for managing the importation, sale and marketing of all of the applicant’s PACIFICO brand beer in Canada (presumably, under the marks depicted in paragraphs 10, 11 and 20, below, or variations of them). He had worked with Mr. Armstrong in their various capacities, however, as of the date of Mr. Priddle’s affidavit, Mr. Armstrong was no longer employed by MMI. PACIFICO beer was first brewed in Mexico in the early 1900s in the Pacific Ocean port city of Mazatlan. Today PACIFICO beer is sold chiefly in Western Canada, that is, British Columbia, Alberta, Manitoba and Saskatchewan.

[10] Attached as Exhibit B to Mr. Priddle’s affidavit is a depiction, shown below, of an individual bottle, as well as a six-pack carton, representative of the use of the PACIFICO marks in Canada for the ten year period preceding the date of Mr. Priddle’s affidavit, that is, from 2000 to 2010.



[11] PACIFICO beer is shipped into Canada in a shipping carton which holds twenty-four 355 mL bottles. Attached as Exhibit C to Mr. Priddle’s affidavit is a depiction of the shipping carton, shown below, used in Canada from 2000 to 2010.



[12] PACIFICO beer is sold in Western Canada through provincial liquor boards, grocery and variety stores, private liquor stores as well as in bars and restaurants such as The Keg and Boston Pizza.

[13] The retail sales value of PACIFICO beer sold in Canada from 2001 to 2009 is in excess of \$14 million, representing about 8.6 million individual bottles. The applicant has spent in excess of \$500,000 on promotional activities advertising its beer product in the period 2000 to 2010.

[14] Mr. Priddle has 22 years of experience in alcoholic beverages retail sales in Canada. He makes regular visits to retail beer and wine stores in Western Canada. He is not aware “of a single instance of consumer confusion between PACIFICO beer and any PWB [the opponent] products, despite extensive market co-existence in Western Canada for over a decade.”

Stewart Priddle – Cross-Examination Testimony

[15] Mr. Priddle’s testimony on cross-examination is consistent with and adds some details to his affidavit evidence, including a minor correction. Mr. Priddle also stated that, as an employee, he had reported to Mr. Armstrong for a period of about eight years. Counsel for the opponent then brought to Mr. Priddle’s attention an affidavit of Mr. Armstrong filed by the applicant in an earlier opposition proceeding concerning the mark PACIFICO (that application was also eventually withdrawn). In paragraph 16 of Mr. Armstrong’s affidavit, he states that “over the course of many years of coexistence

between the Opposer's mark and PACIFICO," he did not encounter a single instance of consumer confusion with respect to the parties' products.

[16] Counsel for the applicant suggested that Mr. Armstrong's affidavit be marked as an exhibit to Mr. Priddle's cross-examination, however, counsel for the opponent objected. In the result, Mr. Armstrong's affidavit was merely marked for identification rather than as an exhibit. It was later filed by the opponent as reply evidence: see paragraph 22, below.

Mabel Hung

[17] Ms. Hung identifies herself as a law clerk employed by the firm representing the applicant. On May 11, 2010, she performed a corporate search on the Industry Canada NUANS database to see how common the term "pacific" is in Canada. The NUANS Pre-Search Results indicates 13,654 names, the first 100 of which are attached as Exhibit A to her affidavit. A separate search was done on the British Columbia BC OnLine corporate Registry database to locate British Columbia business names (which are not listed in the NUANS database). The results of her search are attached as Exhibit B to her affidavit. Fifteen names were located.

Jane Buckingham

[18] Ms. Buckingham identifies herself as a trade-mark searcher employed by the firm representing the applicant. On May 14, 2010, she conducted a search on the CIPO database to determine the commonality of the term PACIFIC as an element of trade-mark applications and registrations that are active or once registered in Canada in association with alcoholic beverages. The results of her search are attached as Exhibit B to her affidavit. From my inspection of Exhibit B I note that twenty-six marks were located; fifteen belong to the opponent; four belong to the applicant namely, the subject application and the two related applications discussed in paragraph 2, above, as well as a registration; and four belong to the Canadian Pacific Railway Company.

[19] Presumably, the applicant seeks to rely on the state of the register evidence to establish that the word PACIFIC is a common element of trade-marks in the brewing industry: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 CPR(3d) 432 (TMOB)

and *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 CPR(3d) 205 (F.C.T.D.); see also *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 CPR(3d) 349 (FCA) which is support for the proposition that inferences about the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located. Ms. Buckingham has evidenced too few third party marks to establish that the word PACIFIC is a common element of trade-marks in the brewing industry.

[20] The applicant's registration (No. TMA 371,975) located by Ms. Buckingham is depicted below:



It was registered on August 17, 1990, based on use in Canada since April 14, 1986, for the wares beer. It should be noted, however, that the existence of the above registration does not give the applicant any advantage in the present proceeding: see, for example, *Coronet-Werke Heinrich Schlerf GmbH v. Produits Menagers Coronet Inc.*, (1984), 4 CPR (3d) 108 at 115 (TMOB).

Generosa Castiglione

[21] Ms. Castiglione identifies herself as a trade-mark searcher employed by the firm representing the applicant. Her affidavit serves to introduce into evidence, by way of Exhibit A, a true copy of the file wrapper for the subject application for PACIFICO LIGHT, from filing to the date of advertisement. I do not find that Ms. Castiglione's evidence is of much probative value.

OPPONENT'S REPLY EVIDENCE

Rosana Wedenig

[22] Ms. Wedenig identifies herself as a trade-marks paralegal employed by the firm representing the opponent. Her affidavit serves to introduce into evidence, by way of Exhibit A, a copy of an affidavit of Robert Armstrong filed in a trade-mark opposition

case concerning the mark PACIFICO, application No.1,004,052 in the name of the present applicant. It is the affidavit which was brought to Mr. Priddle's attention in the course of his cross-examination. The applicant did not object that Ms. Wedenig's affidavit was not proper reply evidence, although in my view the applicant might have done so. In any event, I do not find that Ms. Wedenig's evidence is of particular probative value.

LEGAL ONUS AND EVIDENTIAL BURDEN

[23] Before discussing the allegations in the statement of opposition, I will first outline some of the technical requirements with regard to (i) the legal onus on the applicant to prove its case, and (ii) the evidential burden on the opponent to support the allegations in the statement of opposition.

[24] With respect to (i) above, the legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. With respect to (ii) above, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 CPR (3d) 293 at 298 (FCTD). The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

CONSIDERATION OF THE GROUNDS OF OPPOSITION

[25] I will consider the grounds of opposition in the order that they are alleged in the statement of opposition, except for the fourth ground which was withdrawn at the oral hearing.

Ground 1 - Section 30(d)

[26] The opponent has not filed any evidence to support the first ground of opposition, nor is there any evidence of record to support the first ground. The opponent has therefore failed to meet its evidential burden with respect to the first ground, which is rejected.

Ground 2 - Section 30(i)

[27] A ground of opposition pursuant to s.30(i) requires an opponent to plead fraud on the part of the applicant or that specific federal statutory provisions prevent the registration of the applied-for mark: see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 CPR (2d) 152 at 155 (TMOB) and *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 CPR (3d) 221. In the instant case no such allegations have been made and therefore the pleadings do not support a ground of opposition pursuant to s.30(i). The ground of opposition pursuant to s.30(i) is therefore rejected.

Grounds 3, 5 & 6 - Sections 12(1)(d), 16 & 2

Confusion is the Main Issue

[28] The remaining grounds of opposition turn on the issue of confusion between the applied-for mark PACIFICO LIGHT and one or more of the opponent's PACIFIC marks. The material times to consider the issue of confusion are the date of decision, with respect to the ground of opposition based on s.12(1)(d); the date of filing of the application, that is, May 31, 2006, with respect to the ground of opposition based on s.16; and the date of opposition, that is, August 18, 2008, in respect of the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209 (FCTD).

[29] The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Trade-marks Act*, shown below, between the applied-for mark PACIFICO LIGHT and the opponent's marks:

The 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 . . . or performed by the same person, whether or not the wares or services . . . are of the same general class.

[30] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of the applicant's beer sold under the mark PACIFICO LIGHT as beer produced by or sponsored by or approved by the opponent.

Test for Confusion

[31] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances including” those specifically mentioned in s.6(5)(a) to s.6(5)(e) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R.(4th) 361 (S.C.C.), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

Consideration of s.6(5) Factors

Inherent and Acquired Distinctiveness

[32] The opponent's PACIFIC marks do not possess high degrees of inherent distinctiveness as the term PACIFIC is a dictionary word and would be understood as a reference to the Pacific Ocean or to land masses adjacent to the Pacific Ocean. The marks suggest that the opponent's wares emanate from Canada's Pacific coast. I find that the opponent's marks are relatively weak marks, which conclusion is supported by Ms.

Hung's evidence of the common adoption of the term as a component of Canadian trade-names. The applied-for mark is comprised of the components PACIFICO, a slight modification of the word "Pacific," and LIGHT, suggestive of low calorie content. The applied-for mark considered in its entirety is therefore also a relatively weak mark. I conclude from Ms. Komatsu's evidence that the opponent's marks had acquired a fair reputation in Canada at all material times. There is no evidence that the applied-for mark acquired any reputation at any material time. The first factor in s.6(5), which is a combination of inherent and acquired distinctiveness, therefore favours the opponent, particularly at the latest material time (the date of my decision) owing to the acquired distinctiveness of the opponent's marks through sales and advertising as discussed in Ms. Komatsu's affidavit.

Length of Time in Use

[33] The opponent began using its marks in 1984 while the applicant has not yet commenced to use its mark. The second factor therefore favours the opponent at all material times.

Nature of Wares, Business and Trades

[34] The nature of the parties' wares, businesses and trades are essentially the same. The third and fourth factors therefore favour the opponent.

Degree of Resemblance

[35] The parties' marks resemble each other to a fair degree visually, in sounding and in ideas suggested as the dominant word component, PACIFICO, of the applied-for mark incorporates the whole of the dominant component, PACIFIC, of the opponent's marks. The last factor therefore also favours the opponent.

Other Surrounding Circumstances

[36] A surrounding circumstance which may be considered is the lack of evidence of actual confusion. Of course, the opponent is under no obligation to submit evidence of instances of actual confusion and the absence of such evidence does not necessarily raise

any presumptions unfavourable to the opponent nor is it in any way determinative of the issue of confusion. Nevertheless, an absence of evidence of actual confusion over a relevant period of time, despite an overlap in the parties' wares and channels of trade, may entitle this Board to draw a negative inference about the likelihood of confusion: see *MonSport Inc. v. Vetements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz A.G. v. Autostock Inc.*, 69 CPR (3d) 518 (TMOB). In the instant case, the evidence indicates that there has been a fair degree of concurrent use of the opponent's PACIFIC marks and the applicant's labels (as shown in paragraphs 10, 11 and 20, above) in Western Canada since 2001. Further, the parties' wares have been sold through overlapping channels of trade, that is, through the usual beer retailers. The applicant submits that in these circumstances the lack of evidence of actual confusion raises a presumption that the applied-for mark PACIFICO LIGHT is not confusing with any of the opponent's PACIFIC marks.

[37] In my view, the applicant's submission regarding the absence of instances of actual confusion has some merit. However, the argument would be much stronger if the subject application was based on actual use rather than on proposed use. In this regard, although the labels that have been used by the applicant are comprised of the dominant word component PACIFICO, the labels are visually distinct from the opponent's marks. This visual difference may account for the absence of instances of actual confusion. The applied-for mark PACIFICO LIGHT is not so visually distinct from the opponent's marks and therefore extrapolating the same marketplace outcome, that is, no confusion, to the applied-for mark is not fully convincing.

Jurisprudence

[38] There is, however, a principle of trade-mark law that, in the circumstances of the instant case, mitigates the opponent's advantage under the last factor in s.6(5) as discussed in paragraph 35, above. The principle is that comparatively small differences will suffice to distinguish between "weak" marks, that is, between marks of relatively low inherent distinctiveness: see *GSW Ltd. v. Great West Steel Industries Ltd.* (1975), 22 CPR(2d) 154 (FCTD). The principle was discussed in *Coventry Inc. v. Abrahamian* (1984), 1 CPR (3d) 238 (FCTD) at para. 6, shown below. In *GSW*, the opponent was

relying on its mark SARAH which was not inherently strong and had not acquired distinctiveness through use or advertising or other means:

The trade mark SARAH is a commonly used female Christian name and as such offers little inherent distinctiveness: *Bestform Foundations Inc. v. Exquisite Form Brassiere (Canada) Ltd.* (1972), 34 C.P.R. (2d) 163. Such marks are considered to be weak marks and are not entitled to a broad scope of protection: *American Cyanamid Co. v. Record Chemical Co. Inc.* (1972), 7 C.P.R. (2d) 1, [1972] F.C. 1271; and *GSW Ltd. v. Great West Steel Industries Ltd. et al.* (1975), 22 C.P.R. (2d) 154. In the case of a weak mark, small differences will be sufficient to distinguish it from another mark: *American Cyanamid Co., supra*, at p. 5. Zaréh, which is also a Christian name, but the name of a male Lebanese, is not commonly used in this country. Obviously, there are at least small differences to distinguish those two names. However, the degree of distinctiveness attributed to a weak mark may be enhanced through extensive use: *GSW Ltd. v. Great West Steel, supra*. Most of the evidence led by the appellant show considerable use and publicity for the trade name Sarah or Sarah Coventry or Sarah Fashion Show, etc., but very limited use of the trade mark SARAH. And it has been well established that it is not sufficient for the owner of the trade mark to make a statement of use, he must show use: *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62, [1981] 1 F.C. 679, 34 N.R. 39.

(underlining added)

[39] Similarly, in the instant case, the PACIFIC marks relied on by the opponent are inherently weak and the addition of the vowel “O” to the word PACIFIC serves, at least to some extent, to distinguish the parties’ marks. Further, I am unable to conclude that the distinctiveness of the opponent’s marks have been so enhanced by prior use and advertising that they are entitled to a broad scope of protection. The advantage given to the opponent under the last, and most important, factor in s.6(5) is therefore mitigated to a significant extent.

[40] I have also considered the case of the *San Miguel Brewing International Limited v. Molson Canada 2005*, 2012 TMOB 65(Can LII), rev’d 2103 FC 156 (Can LII). In that case the applicant San Miguel had applied to register the mark shown below, for beer:



[41] The application was opposed by Molson, who alleged confusion based on its use and registration of various BLACK HORSE beer marks, including the mark shown below:



[42] The opponent was successful before this Board, but not on appeal to the Federal Court where the applicant filed evidence of third party use of the marks IRON HORSE BEER; GOLDEN HORSESHOE PREMIUM LAGER; and DARK HORSE STOUT. The Court found that the evidence of third party use was material and sufficient to change the threshold of the standard of review of the Board's decision from "reasonableness" to "correctness." The Court also found, at paragraph 34 of the decision, that:

One look at the labels of RED HORSE and BLACK HORSE is sufficient to dispel any notion of confusion between RED HORSE (with just a horse's head) and BLACK HORSE (with a horse in profile). However, that is not determinative as this is not a breach of copyright case. As noted earlier, the Member [of the Opposition Board] did not consider the design features but it is hard to ignore.

Of course, in the instant case, there is no evidence of third party use of marks comprised of the term PACIFIC for beer (although there is evidence of some third party registrations), and the applicant is applying for a word mark rather than a word and design mark to serve as a label. In the instant case there are no design features to distinguish the applied-for mark from the opponent's marks.

DISPOSITION

[43] Considering the factors in s.6(5) as discussed above, and also taking into account that the opponent's marks are weak marks, that the opponent's marks are not entitled to a broad scope of protection, and that no instances of actual confusion have been evidenced, I conclude that the balance of probabilities between finding that there is no reasonable likelihood of confusion, and finding that there is reasonable likelihood of confusion, is evenly balanced at all material times.

[44] As the legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, I must find against the applicant. The subject application is therefore refused.

[45] This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig, Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office