

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

Citation: 2014 TMOB 266
Date of Decision: 2014-11-24

**IN THE MATTER OF AN OPPOSITION
by Ex Hacienda Los Camichines, S.A de
C.V. to application Nos. 1,400,055;
1,400,056, 1,400,057 for the trade-marks
ZACAPA CENTENARIO 23 & Design;
ZACAPA CENTENARIO 15 & Design;
ZACAPA CENTENARIO X.O. & Design
in the name of Rum Creation & Products
Inc.**

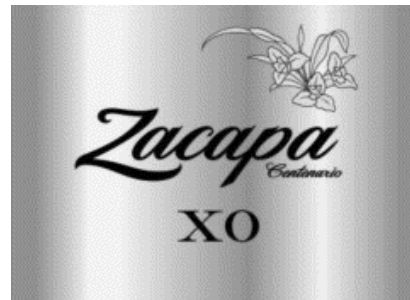
[1] On June 17, 2008, Rum Creation & Products Inc (the Applicant) filed applications to register the trade-marks ZACAPA CENTENARIO 23 & Design (1,400,055); ZACAPA CENTENARIO 15 & Design (1,400,056); ZACAPA CENTENARIO X.O. & Design (1,400,057), designs shown below (the Marks) in association with the wares “rum, rum spirits, rum liquors, rum cocktails and alcoholic beverages containing rum” (the Wares) based on proposed use in Canada.



(1,400,055)



(1,400,056)



(1,400,057)

[2] The applications were advertised for opposition purposes in the *Trade-marks Journal* of June 24, 2009.

[3] On August 24, 2009 Ex Hacienda Los Camichines, S.A de C.V. (the Opponent) filed a statement of opposition against each application. On March 16, 2011 the Opponent was granted leave to file an amended statement of opposition dated November 15, 2010 in each case. The grounds of opposition can be summarized as follows:

- pursuant to sections 38(2)(a) and 30(b) and/or 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), the Applicant did not and does not intend to use the Marks in association with the Wares; or alternatively had used the Marks in association with the Wares prior to the filing date;
- pursuant to sections 38(2)(a) and 30(i), the Applicant cannot be satisfied that it is entitled to use the Marks in Canada in view of the prior use and/or making known, and registration of the Opponent's trade-marks (identified below in the registrability and entitlement grounds of opposition) by the Opponent and/or its predecessor in title Tequila Cuervo, S.A. de C.V. The Applicant should have been aware that the Marks were confusing with the Opponent's marks;
- pursuant to sections 38(2)(b) and 12(1)(d), the Marks are not registrable because they are confusing with the Opponent's registered trade-marks (the Opponent's Registered Trade-marks):
 - i. GRAN CENTENARIO – TMA534,032 for “tequila”
 - ii. GRAN CENTENARIO & Design III – TMA707,792 for “tequila, tequila liqueurs, alcoholic cocktails containing tequila”



- Pursuant to sections 38(2)(c) and 16(3)(a), the Applicant is not entitled to registration of the Marks because at the date of filing the applications for the Marks they were confusing with the Opponent's Registered Trade-marks which had been previously used and/or made known in Canada by the Opponent and/or its predecessor in title Tequila Cuervo, S.A. de C.V.

- Pursuant to sections 38(2)(c) and 16(3)(b), the Applicant is not entitled to registration of the Marks because at the date of filing the applications they were confusing with the Opponent's Registered Trademarks and the following marks which are the subject of applications previously filed by the Opponent and/or its predecessor
 - i. GRAN CENTENARIO & Design V – 1,372,941
 - ii. GRAN CENTENARIO ANEJO BOTTLE Design II – 1,348,567
 - iii. GRAN CENTENARIO AZUL & Design – 1,254,373
 - iv. GRAN CENTENARIO AZUL & BOTTLE Design – 1,254,828
 - v. GRAN CENTENARIO CELEBRATION – 1,360,816
 - vi. GRAN CENTENARIO GRANDIOSO – 1,391,406
 - vii. GRAN CENTENARIO REPOSADO/PLATA BOTTLE I & Design – 1,348,566
 - viii. GRAN CENTENARIO ROSADO – 1,382,793
 - ix. GRAN CENTENARIO RUBI – 1,396,475
- Pursuant to sections 38(2)(d) and 2, the Marks are not distinctive of the Wares in that they do not and cannot actually distinguish nor are adapted to distinguish the Wares from those of the Opponent.

[4] In each case, the Applicant served and filed a counter statement in which it denied the Opponent's allegations.

[5] In support of its oppositions, the Opponent filed an affidavit of Ricardo Juarez Avina and certified copies of the Opponent's trade-mark registrations and applications.

[6] In support of its applications, the Applicant filed affidavits of Nicole Vigneault, Kristina Mahon and Barbara Boyd.

[7] None of the affiants was cross-examined.

[8] Neither party filed a written argument but both parties were represented at an oral hearing.

Onus and Material Dates

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that each of its applications 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].

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

- sections 38(2)(a)/30 - 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)];
- section 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(3) - the date of filing the application [see section 16(3) of the Act]; and
- 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 (FC)].

Grounds of opposition based on non-compliance with Section 30

Sections 30(b)/(e) of the Act

[11] The Opponent has not provided any evidence or submissions in support of its allegations that the Applicant did not and does not intend to use the Marks or alternatively had used the Marks in association with the Wares prior to the filing date. As a result the Opponent has failed to meet its evidential burden and this ground of opposition is dismissed accordingly.

Section 30(i) of the Act

[12] 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)

[13] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if one or more of 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 registration(s) 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 find that the registrations for the Opponent's Registered Trade-marks remain extant. Based on the foregoing, the Opponent has succeeded in meeting its evidential burden under this ground of opposition.

[14] 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.

[15] 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).]

[16] In *Masterpiece*, the Supreme Court of Canada discussed the importance of the section 6(5)(e) factor in conducting an analysis of the likelihood of confusion between the parties' marks in accordance with section 6 of the Act (see para 49):

...the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis ... if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become

significant only once the marks are found to be identical or very similar... As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start... [Emphasis is mine]

[17] Under the circumstances of the present case, I consider it appropriate to analyse the degree of resemblance between the parties' marks first.

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

[18] The parties' marks share very little similarity in appearance, sound or ideas suggested. In fact, the only similarity between the parties' marks is created by the word CENTENARIO which is common to all of the marks at issue. While the Opponent made extensive submissions about the importance of the CENTENARIO element as the dominant portion of the Opponent's marks, the fact remains that the word CENTENARIO is such a minor component of the Marks that it is only visible upon close inspection.

[19] In the case of the Marks when sounded, as discussed below, the word CENTENARIO is accompanied by other inherently distinctive elements, in particular the addition of a striking and unique first component, ZACAPA. Thus, I find that the parties marks share little similarity in sound.

[20] In terms of ideas suggested, as discussed below, the elements being all coined words lead to no particular ideas suggested by either party's marks.

[21] As a result, I find that the parties' marks share very little resemblance. I will now assess the remaining factors to determine whether any of them are significant enough to shift the balance of probabilities in the Opponent's favour.

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

[22] The Applicant provides evidence from Spanish/English dictionaries that the word CENTENARIO means "centenary" or "centenarian" in Spanish. However, I have no evidence supporting a finding that the average Canadian consumer speaks or understands Spanish and as a result I am of the view that the word would be more likely to be interpreted as being a coined word.

[23] The Mark includes the word ZACAPA, which is also a coined word, along with design elements such that it possesses a high degree of inherent distinctiveness

[24] The same is true with respect to the Opponent's Registered Marks both of which contain the additional word element GRAN along with, for TMA707,792, distinctive design elements.

[25] Based on the foregoing, I find that all of the trade-marks at issue possess a high degree of inherent distinctiveness.

[26] 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.

[27] The applications for the Marks claim proposed use. The Applicant provides promotional figures, advertising expenditures and sales figures for the Wares in association with the Marks since 2010.

[28] However, there are two deficiencies in this evidence that render it difficult to determine the extent to which the Marks have become known in Canada. Firstly, the data provided are global figures such that it is not clear what portion relates exclusively to the Canadian marketplace. Secondly, it is not clear that the Marks, as applied for, have been used in accordance with section 4(1) of the Act.

[29] Ms. Boyd attaches to her affidavit sample labels which she states are representative of the use of the Marks (Exhibit A). However, these labels differ from the Marks as applied for. The sample labels feature only the ZACAPA CENTENARIO and flower design elements of the Marks. They also include the additional word element RON placed above the words ZACAPA CENTENARIO. Furthermore, the remaining word and design elements that make up each of the Marks are absent from the sample labels. Based on the foregoing, I am unable to conclude as to the extent to which the Marks have become known in Canada.

[30] Turning to the Opponent's evidence, in his affidavit, Mr. Avina makes the sworn statement that the Opponent's tequila has been sold in Canada in association with the trade-mark GRAN CENTENARIO since September 1, 2000. However, the sales figures and associated

invoices provided by Mr. Avina date back only to 2008. Sales figures for the years provided range from a low of approximately \$3600 in 2009 to a high of approximately \$15000 in 2008. Mr. Avina attaches to his affidavit sample invoices for sales of the Opponent's tequila to the Alberta Liquor Control Board from 2008 to 2010 (Exhibit D1, D2). Mr. Avina also makes the sworn statement that the Opponent's tequila sold in association with various GRAN CENTENARIO trade-marks is available in Alberta. He attaches to his affidavit printouts from the Alberta Liquor Control Board website which demonstrates that the Opponent's tequila was available there at the date of swearing his affidavit (Exhibit D3).

[31] The only evidence which provides guidance in terms of the manner in which the Opponent has used its registered trade-marks in association with tequila is found in printouts from the Opponent's website which he states were printed October 6, 2008 but are representative of the appearance of the site from 2007 onwards (Exhibit B). The printouts display grainy images of bottles of tequila with labels which display the words GRAN CENTENARIO along with some design features found in registration No. TMA707,792. Based on the foregoing, I find that the Opponent has only shown use of the word mark GRAN CENTENARIO (TMA534,032). Based on the evidence of record, I am satisfied that the trade-mark GRAN CENTENARIO has developed some reputation in Canada based on use of this mark in association with tequila since at least as early as 2007.

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

[32] As discussed in further detail above, I find that the Applicant has not provided any evidence of use of the Marks whereas the Opponent has established use of its word mark GRAN CENTENARIO since approximately 2007.

Sections 6(5)(c) and (d) – the nature of wares, services or business and trade

[33] The parties' wares are similar. While the specific nature of the parties' alcoholic beverage wares (rum vs. tequila) differs – both parties' wares are spirits.

[34] The Applicant has provided some evidence in the form of the Mahon affidavit to demonstrate that while sold in the same stores, the parties' wares are sold in different sections of

the same stores. Specifically, Ms. Mahon provides photographs taken at a Liquor Control Board of Ontario store where the Applicant's rum and the Opponent's tequila were found on different shelves within the store (Exhibit D).

Conclusion

[35] As discussed above, in *Masterpiece* the Supreme Court of Canada highlighted the importance of the section 6(5)(e) factor in the analysis of the likelihood of confusion. In the present case, I have found that the parties' marks do not share any significant degree of similarity in sound, appearance and idea suggested. In fact, the only shared element, CENTENARIO, is such a small feature of the Marks that it is only visible on close inspection. When the Marks are considered as a whole, they differ significantly from the Opponent's Registered Marks, in appearance, sound and ideas suggested.

[36] Furthermore, I have not found that any of the other factors are significant enough to shift the balance of probabilities in the Opponent's favour.

[37] I am satisfied that the Applicant has discharged its burden of showing that there is no reasonable likelihood of confusion between the parties' marks. Having regard to the foregoing, I dismiss the non-registrability ground of opposition accordingly.

Non-entitlement Grounds of Opposition

Section 16(3)(a) of the Act

[38] Despite the burden 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 Registered Trade-marks, the Opponent has the initial onus of proving that one or more of the pleaded registered trade-marks were used or made known in Canada prior to the filing date for the Applicant's application (June 17, 2008) and had not been abandoned at the date of advertisement of the application for the Mark (June 24, 2009) [section 16(5) of the Act].

[39] As discussed in greater detail above in the analysis of the non-registrability ground of opposition, I am satisfied that the Opponent has established use of its word mark GRAN CENTENARIO and non-abandonment thereof at the dates relevant for this ground of opposition.

[40] The difference in the material dates is not significant enough to materially affect the conclusions made under the section 12(1)(d) ground above. Based on the foregoing, the ground of opposition based on section 16(3)(a) is also dismissed.

Section 16(3)(b) of the Act

[41] Despite the burden of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Marks and the Opponent's pleaded pending applications, the Opponent has the initial onus of proving that the trade-mark applications alleged in support of its ground of opposition based on section 16(3)(b) of the Act were pending at the date of filing the Applicant's applications, June 17, 2008, and remained pending at the date of advertisement of the applications for the Marks, June 24, 2009 [section 16(4) of the Act]. The Registrar has the discretion, in view of the public interest, to check the register for applications relied upon by an opponent [see *Royal Appliance Mfg Co v IONA Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB)]. I have exercised my discretion to check the status of the applications cited by the Opponent.

[42] I am satisfied that all of the pending applications pleaded in support of the ground of opposition based on section 16(3)(b) of the Act were filed prior to the applications for the Marks and remained pending at the date of advertisement for the applications for the Marks.

[43] The difference in the material dates is not significant enough to materially affect the conclusions made under the section 12(1)(d) ground above. Furthermore, I find that none of the Opponent's trade-marks which have been pleaded under this ground of opposition share any more similarity with the Marks to shift the balance of probabilities in favour of the Opponent. Based on the foregoing, the ground of opposition based on section 16(3)(b) is also dismissed.

Non-distinctiveness Ground of Opposition

[44] While there is a legal onus on the Applicant to show that the Marks are 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.

[45] 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 its pleaded trade-marks had become known sufficiently to negate the distinctiveness of the Marks [see *Bojangles' International, LLC v Bojangles Café Ltd* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FC)].

[46] As discussed further above in the analysis of the section 12(1)(d) ground of opposition, I am satisfied that the Opponent has provided evidence of its word mark GRAN CENTENARIO at the material date sufficient to enable it to meet its evidential burden under this ground of opposition.

[47] As was the case with the non-entitlement grounds of opposition, the difference in the material dates is not significant enough to materially affect the conclusions made under the section 12(1)(d) ground above. Based on the foregoing, the ground of opposition based on non-distinctiveness is also dismissed.

Disposition

[48] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the oppositions pursuant to section 38(8) of the Act.

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