



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

**Citation: 2011 TMOB 137**  
**Date of Decision: 2011-08-03**

**IN THE MATTER OF AN OPPOSITION  
by Ron Matusalem & Matusa of Florida,  
Inc. to Application No. 1,275,544 for the  
trade-mark ESPIRITU DE CHILE  
presently owned by Espiritu de Chile Ltd.**

Introduction

[1] On October 13, 2005, A. Racke GMBH & CO filed an application to register the trade-mark ESPIRITU DE CHILE (the Mark), application number 1,275,544, based on proposed use in association with alcoholic beverages namely, wine and sparkling wines (the Wares).

[2] Subsequent to an office action, the applicant disclaimed the right to the exclusive use of the word “CHILE” apart from the Mark as a whole and indicated to the Registrar that the English translation of ESPIRITU DE CHILE is “Spirit of Chile”.

[3] The application was advertised on November 22, 2006 in the Trade-marks Journal for opposition purposes.

[4] 1872 Holdings, V.O.F. filed on May 22, 2007 a statement of opposition that was forwarded by the Registrar to the applicant on June 19, 2007. The applicant denied all grounds of opposition in a counter statement filed on July 18, 2007.

[5] The opponent filed the affidavit of Stéphanie Brouillette as its evidence while the applicant filed the affidavits of Claire Gordon and Herbert McPhail. The opponent filed as reply evidence the affidavit of Simone Ndiaye.

[6] Both parties filed written arguments and only the opponent was present at an oral hearing.

[7] On March 21, 2007 the Registrar recorded the change of name of 1872 Holdings, V.O.F. to Ron Matusalem & Matusa of Florida Inc. (the Opponent). On May 15, 2007 the Registrar recorded an assignment by which the present application was transferred from A. Racke GMBH & CO to Espiritu de Chile Ltd. (the Applicant).

#### The Grounds of Opposition

[8] The grounds of opposition pleaded are:

1. The application does not comply with the requirements of s. 38(2)(a) and 30(e) of the *Trade-marks Act* R.S.C. 1985, c. T-13, (the “Act”) in that the Mark is not a proposed trade-mark as the Applicant or one of its predecessors in title, if any, does not have the intent and never had the intent to use the Mark in Canada in association with the Wares;
2. The application does not comply with the requirements of s. 38(2)(a) and 30(i) of the Act since the Applicant could not be and still not be satisfied that it is entitled to use the Mark in Canada in association with the Wares since at the filing date of the application the Applicant was well aware of the Opponent’s trade-mark application of “EL ESPIRITU DE CUBA” in Canada in connection with the wares and services described within the application No. 1,156,401;
3. Pursuant to s. 38(2)(b) and s. 12(1)(d) of the Act the Mark is not registrable since it is confusing with the registered trade-mark EL EPIRITU DE CUBA, application 1,156,401, with a filing date of October 24, 2002;
4. Pursuant to s. 38(2)(c) the Applicant is not the person entitled to the registration of the Mark pursuant to s. 16(3)(b), in that at the filing date of the application, the Mark was confusing with at least one trade-mark with respect of which an application for registration had been previously filed in Canada by the Opponent for its trade-mark EL ESPIRITU DE CUBA on October 24, 2002;
5. Pursuant to s. 38(2)(d), the Applicant’s Mark is not distinctive since the Mark does not distinguish nor is it adapted to distinguish the Wares of those of the Opponent listed in the abovementioned application filed by the Opponent.

### Burden of Proof in Trade-marks Opposition Proceeding

[9] The legal onus is upon the Applicant to show that its application complies with the provisions of the Act, but there is however 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 (F.C.T.D.) and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.T.D.)].

### Grounds of Opposition Summarily Dismissed

[10] The Opponent has not discharged its initial burden of proof with respect to the first and second grounds of opposition. It has not filed any factual evidence to support those grounds of opposition. As such they are dismissed.

[11] As for the third ground of opposition (registrability of the Mark based on s. 12(1)(d) of the Act), it has to be supported by a registered trade-mark. The ground as pleaded refers to an application. At the oral hearing the Opponent's agent informed me that a certificate of registration for such trade-mark, had not yet been issued. Since the relevant date under s. 12(1)(d) of the Act is the date of my decision, I checked the register and the application is still pending. Therefore the Opponent has not met its initial burden to establish the existence of a registered trade-mark. The third ground of opposition is also dismissed.

Entitlement pursuant to s. 16(3)(b) of the Act

[12] The relevant date for the analysis of this ground of opposition is: the filing date of the application [s. 16(3) of the Act]. Moreover the application had to be pending at the advertisement date of the present application [see s. 16(4)].

[13] Ms. Brouillette has been a legal assistant employed by the Opponent's agent. She attached to her affidavit as Exhibit SB-2 a copy of the Opponent's application for the registration of the trade-mark EL ESPIRITU DE CUBA. It covers alcoholic beverages namely, distilled liquors, rum; non-alcoholic cocktail mixes intended to be mixed with rum, non-alcoholic cocktails. I checked the register and confirm that the Opponent's application 1,156,401 for the trade-mark EL ESPIRITU DE CUBA was still pending at the advertisement date of the present application. As such the Opponent has met its initial evidential burden.

[14] Consequently the Applicant has the burden to prove, on a balance of probabilities, that the use of the Mark in association with the Wares was not likely to cause confusion with the Opponent's trade-mark EL ESPIRITU DE CUBA at the filing date of the application. The test to determine this issue is set out in s. 6(2) of the Act. I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[15] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight. In its recent judgment in *Masterpiece Inc. v. Alavida Lifestyles Inc. et al.* 2011 S.C.C. 27 the Supreme Court of Canada has clearly indicated that the most important factor amongst those listed under s. 6(5) of the Act is the degree of resemblance between the marks.

[16] The Applicant admitted that the word ESPIRITU is a foreign word as it provided an English translation, namely “Spirit”. There is no evidence that the average Canadian consumer would know the meaning of that word either in French or English. Being a foreign word, it is inherently distinctive to a Canadian consumer. However a geographic location is a weak element of a trade-mark [see *Detroit Lions Inc. v. British Columbia Lions Football Club* (1987), 15 C.P.R. (3d) 209 (T.M.O.B.)]. The Opponent’s trade-mark comprises the additional foreign word “EL”. I do not think that this additional element is sufficient to conclude that the Opponent’s trade-mark has a higher degree of inherent distinctiveness.

[17] The distinctiveness of a trade-mark may be enhanced through use or promotion in Canada. I have no evidence of use of the Opponent’s trade-mark EL ESPIRITU DE CUBA in Canada prior to the relevant date. As for the Applicant’s evidence, Ms. Gordon is a law clerk employed by the Applicant’s agent firm. She visited on September 18, 2008 an LCBO outlet in Ottawa and purchased a bottle of Espiritu de Chile Cabernet Sauvignon and a bottle of Espiritu de Chile Sauvignon Blanc and filed colour copies of those bottles. However such evidence cannot be taken into consideration as the event took place after the relevant date. Overall, this factor does not favour any of the parties. The length of time the trade-marks have been in use also does not favour any of the parties.

[18] As for the nature of the wares and their channels of trade, wine and spirit are in the same general class of wares [see *Carling Breweries Ltd. v. Registrar of Trade-marks* (1972), 8 C.P.R. (2d) 247]. I have no evidence that would suggest that the parties’ respective wares would travel through different channels of trade. Being in the same general class of wares, and in the absence of evidence to the contrary, it is fair to assume that they would travel through similar channels of trade. Those factors favour the Opponent.

[19] The marks do resemble one another with respect to appearance and sound. The dominant portion of the Mark is ESPIRITU and the same applies to the Opponent’s trade-

mark EL ESPIRITU DE CUBA. The only dissimilarities are the word “EL” and the use of different geographical locations. With respect to the latter, they are descriptive in nature and thus are not sufficient to distinguish the marks in issue as argued by the Applicant.

[20] As an additional surrounding circumstance the Applicant filed the affidavit of Mr. McPhail, a trade-mark searcher with the Applicant’s agent. He conducted on September 5, 2008 a search on the CDNameSearch Corp system that contains the Canadian Trade-mark database for the purpose of locating active trade-mark registrations and applications containing the words “Spirit of” or “Esprit de” and filed the results. 22 citations were found and he also attached to his affidavit the details of some of them. This evidence is of no assistance to the Applicant. The words “spirit of” or “esprit de” are not part of the Mark. As mentioned previously the word ESPIRITU is a foreign word and thus, in the absence of evidence to the contrary, it will be viewed by the average Canadian consumer as a coined word.

[21] Ms. Gordon did perform also a search, on the Internet, on the Liquor Control Bureau of Ontario (LCBO), the British Columbia Liquor Store, the Alberta Liquor Guide and the Société des Alcools websites to locate products sold with the words “spirit of”, “esprit de” and “espiritu de” as part of their name and filed the results of those searches. None of the pages filed makes reference to a product sold in association with a trade-mark comprising such words, except for the Applicant’s wine sold in association with the Mark. In fact those words can only be found in the description portion of the products. This has been established through the affidavit of Ms. Ndiaye, filed as reply evidence, a legal assistant employed by the Opponent’s agent. She visited the LCBO’s website and annexed to her affidavit additional extracts of such website that include the description of the products.

[22] Ms. Brouillette did a search of the Canadian Trade-marks database in order to locate any trade-marks having the word ESPIRITU as a component and was able to locate only three citations, which include the present application and the Opponent’s

application cited under this ground of opposition. As for the third citation, owned by the Applicant, it is a design trade-mark with no word portion. It would appear that it is the design used by the Applicant in conjunction with the Mark. It may be identified in the Canadian register of trade-marks under ESPIRITU DE CHILE & design, but the word portion is clearly not part of the mark that is the subject of registration TMA690,225. Consequently there are only two trade-marks on the register comprising the word ESPIRITU in association with alcoholic beverages. This supports the argument that the word ESPIRITU is distinctive.

[23] As a further surrounding circumstance the Opponent argues that the Registrar considered at the examination stage that the Mark would likely cause confusion with the Opponent's trade-mark application 1,156,401 for the trade-mark EL ESPIRITU DE CUBA by citing such reference against the present application. Obviously the Applicant was able to overcome such office action as the present application received preliminary approval and was advertised in the *Trade-marks Journal* for opposition purposes. However the burden of proof to be met by an applicant at the examination stage is quite different than at the opposition stage [see s. 37 and 38 of the Act]. Moreover the Registrar does have evidence before him that was not part of the record at the examination stage. Therefore I do not consider this to be a significant surrounding circumstance.

[24] From this analysis of the relevant criteria I conclude that the Applicant failed to meet its legal onus to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent's trade-mark EL ESPIRITU DE CUBA.

[25] Consequently I maintain the fourth ground of opposition.

#### Distinctiveness

[26] To meet its initial burden under this ground of opposition the Opponent had to prove that its trade-mark EL ESPIRITU DE CUBA had become sufficiently known in Canada on May 22, 2007, the filing date of the statement of opposition, to negate any

distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.)].

[27] There is no evidence in the record to demonstrate that the Opponent's trade-mark EL ESPIRITU DE CUBA was known in Canada to some extent prior to the relevant date. As such this ground of opposition is dismissed for failure by the Opponent to meet its initial evidential burden.

Disposition

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

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Jean Carrière  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office