



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

**Citation: 2012 TMOB 65**  
**Date of Decision: 2012-03-30**

**IN THE MATTER OF AN OPPOSITION  
by Molson Canada 2005 to application  
No. 1,246,654 for the trade-mark RED  
HORSE & Design in the name of San  
Miguel Brewing International Limited**

[1] On February 9, 2005, San Miguel Corporation (the Original Applicant) filed an application to register the trade-mark RED HORSE & Design (the Mark), which is shown below:



[2] The application claims a convention priority filing date of October 21, 2004 and disclaims the right to the exclusive use of the words MALT LIQUOR apart from the trade-mark.

[3] The application was originally based on both proposed use of the Mark in Canada in association with “beer, lager, ale, pilsen, stout, bock, and malt beverages” and an allegation that the Mark had been used in association with such wares in the Philippines where it was the subject of a pending application. However, it was subsequently amended to delete malt beverages from its statement of wares as well as reliance on use and registration in the Philippines.

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* of May 21, 2008. On July 21, 2008, Molson Canada 2005 (the Opponent) filed a statement of opposition against the application. The Original Applicant filed and served a counter statement in which it denied the Opponent’s allegations.

[5] In support of its opposition, the Opponent filed two affidavits of Jeffrey J. Coghlan and an affidavit of Lori A. Ball. In support of its application, the Applicant filed affidavits of Jane Buckingham, Bhupesh K. Choudhary and Susan Burkhardt. None of the affiants were cross-examined.

[6] Both parties filed a written argument.

[7] On November 12, 2010, an assignment of the application was recorded in favour of San Miguel Brewing International Limited. The term Applicant will be used to refer to San Miguel Brewing International Limited and its predecessor-in-title, San Miguel Corporation.

[8] An oral hearing was held in which both parties participated.

#### Summary of Grounds of Opposition and Applicable Material Dates

[9] The grounds of opposition pleaded by the Opponent pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) are summarized below (I have omitted those which relate to s. 16(2) in view of the amendment of the application):

1. contrary to s. 30(e), the Applicant did not intend to use the Mark as alleged in the application or at all;

2. contrary to s. 30(i), the Applicant could not have been satisfied of its entitlement to use the Mark in view of the Opponent's trade-mark applications and registrations as referred to below;
3. contrary to s. 12(1)(d), the Mark is not registrable because the Mark is confusing with the following 24 trade-marks registered by the Opponent: i) BLACK HORSE & Design NFLD002735; ii) RED DOG Label Design TMA443,373; iii) RED DOG TMA437,884; iv) REDDOG TMA437,883; v) RED CAP TMA451,435; vi) RED CAP Label Design TMA613,086; vii) RED TOP ALE, TOP & Design NFLD003276; viii) RED KNIGHT TMA178,434; ix) RED SHIELD TMA179,736; x) RED DOG LAGER Label TMA474,125; xi) RED JACK TMA456,136; xii) RED DOG & Design TMA476,515; xiii) RED DOG TMA477,393; xiv) BARRINGTON RED TMA474,179; xv) RICKARD'S RED LABEL Design TMA431,946; xvi) BLACK HORSE & Design TMA408,020; xvii) BLACK HORSE ALE & Design TMA438,203; xviii) BLACK HORSE TMA427,975; xix) BLACK HORSE TMA319,786; xx) BLACK HORSE & Design TMA530,178; xxi) BLACK HORSE ALE & Design TMA197,562; xxii) BLACK HORSE ALE & Design TMA140,447; xxiii) MOLSON RED JACK Label Design TMA477,754; and xxiv) BARRINGTON RED & Design TMA474,835;
4. contrary to s. 16(3)(a) and (b), the Applicant is not the person entitled to registration of the Mark because the Mark was, at the date of filing of the application, likely to be confused with the aforementioned marks of the Opponent, which were previously used in Canada, as well as with the following six marks of the Opponent which were previously used in Canada and the subject of previously filed applications: i) No. 1,221,536 for RED LEAF; ii) No. 1,149,303 for RICKARD'S RED & Label Design; iii) No. 1,149,302 for RICKARD'S RED & Design; iv) No. 1,093,398 for RICKARD'S RED & Design; v) No. 1,084,113 for RICKARD'S RED; and vi) No. 895,539 for RICKARD'S RED RR & Design;
5. contrary to s. 2, the Mark is not adapted to distinguish the wares of the Applicant from the wares/services of others including the wares/services of the Opponent. "The Opponent has used its families of trade-marks, which include the 'RED' family of marks and the 'HORSE' family of marks, extensively in Canada in association with beer and various merchandising items and accordingly, its trade-marks are famous and distinctive of the Opponent."

[10] However, at the oral hearing, the Opponent withdrew the s. 30(e) ground of opposition.

[11] The material dates with respect to the surviving grounds of opposition are as follows:

- s. 30(i) - the date of filing of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];

- s. 12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
- s. 16(3) – the priority filing date of the application;
- s. 2 - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

### Onus

[12] 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 C.P.R. (3d) 293 (F.C.T.D.) at 298].

### Section 30(i) Ground of Opposition

[13] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]; there is no such evidence here. This ground is therefore dismissed.

### Section 12(1)(d) Grounds of Opposition

[14] An opponent's initial burden is met with respect to a s. 12(1)(d) ground of opposition if the registration upon which it relies is extant at the date of my decision. If this initial burden is met, then the Applicant must establish, on a balance of probabilities, that as of today's date there is not a reasonable likelihood of confusion between the parties' marks.

[15] At the oral hearing, the Opponent took the position that RED is a common component for beer trade-marks, both in the marketplace and on the Register. The Opponent therefore submitted that the significant element of the Mark is the word HORSE and focused its submissions on the likelihood of confusion with the marks of the Opponent that include the word HORSE, in

particular the Opponent's mark BLACK HORSE. At the oral hearing, the Applicant agreed that the Opponent's case turns on the BLACK HORSE word mark. I will therefore focus my analysis on a consideration of the likelihood of confusion between the Mark and BLACK HORSE as registered under No. TMA319,786. Registration No. TMA319,786 covers "brewed alcoholic beverages", is based on use in Canada since at least as early as 1922, and is currently extant.

[16] 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.

[17] The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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 C.P.R. (4th) 321 (S.C.C.), *Veuve Cliquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 C.P.R. (4th) 401 (S.C.C.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.).]

*the inherent distinctiveness of the marks*

[18] Both RED HORSE & Design and BLACK HORSE are inherently distinctive marks, primarily because the word HORSE has no meaning with respect to brewed beverages. Descriptive words, such as RED and BLACK, are not particularly distinctive but the design features of the Mark do add to the inherent distinctiveness of the Mark. Therefore, overall, the Mark has a greater degree of inherent distinctiveness than does BLACK HORSE.

*the extent to which each mark has become known*

[19] A mark's distinctiveness may be increased through use and promotion.

[20] Ms. Ball, Director, Intellectual Property and Corporate Secretary for the Opponent, has attested that the Opponent and its predecessors have been selling beer in Canada in association with the trade-mark BLACK HORSE continuously since at least as early as 1922. She provides samples of BLACK HORSE labels used from 1978 to 2009 (the date of her affidavit). I note that use of the various design marks that feature the words BLACK HORSE qualify as use of the BLACK HORSE word mark [*Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 at 538-9].

[21] Sales volumes of BLACK HORSE beer have been in excess of 150,000 hectolitres over the years 2000 – 2008 (150,000 hectolitres equals 15 million litres). Ms. Ball states that the primary market for BLACK HORSE beer is Newfoundland, “where it is one of the province’s most popular regional beers.”

[22] Since 1995, the Opponent has spent in excess of 13 million dollars advertising the BLACK HORSE brand in various forms of media including television, radio and print advertising. Ms. Ball has provided copies of print advertisements which have appeared in magazines, on point-of-sale materials, and in on-premise posters, plus a photograph of a delivery truck displaying the BLACK HORSE mark. As pointed out by the Applicant, the Opponent did not provide details of when or where its advertisements were placed or any circulation figures.

[23] Mr. Choudhary is the Managing Director of United Distributors of Canada, which he attests is the national agent for the Applicant. Mr. Choudhary attests that his company “has been importing San Miguel’s RED HORSE beer into Canada since November 2005”. Mr. Choudhary provides copies of various documents directed to showing sales of RED HORSE beer in Canada, such as the sale of 752 cases in Alberta from January 2009 to the beginning of August 2009, the sale of 120 cartons in Alberta dated January 10, 2006, the sale of 621 units in British Columbia dated May 7, 2009, and an order for 1,232 cases from British Columbia dated February 6, 2009. However, this evidence does not assist the Applicant because both the affidavit and documents refer simply to RED HORSE and there is no evidence that the design mark which is the subject

of this opposition was associated with the wares sold. In any event, the quantity of sales evidenced by Mr. Choudhary is insignificant compared to the Opponent's sales.

[24] The extent to which the marks have become known therefore favours the Opponent.

*the length of time the marks have been in use*

[25] The Opponent has used BLACK HORSE since 1922 whereas it appears that the Applicant at best began use of the Mark in Canada in 2005. The length of time that the marks have been used therefore clearly favours the Opponent.

*the nature of the wares, business and trade*

[26] When considering the wares and trades of the parties, it is the statement of wares in the parties' trade-mark application and registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)]. In the present case, both statements of wares cover brewed beverages and one can therefore assume that the parties' channels of trade would be the same or overlap.

[27] I note that the Applicant argues that there are differences between the parties' wares in that the beverage sold by the Opponent appears to be an ale whereas the beverage sold by the Applicant is a malt liquor. As I understand it, the Applicant does not contest that both beverages are types of "beer", but rather submits that an ale differs from a malt liquor. However, I do not consider this distinction to be significant. As stated earlier, it is the statement of wares in the application/registration that govern under s. 12(1)(d). The Opponent's statement of wares reads "brewed alcoholic beverages" whereas the Applicant's statement of wares reads "beer, lager, ale, pilsen, stout, and bock", all of which are types of brewed alcoholic beverages.

[28] The nature of the wares, business and trade therefore also favour the Opponent.

*the degree of resemblance between the marks*

[29] While the trade-marks must be assessed in their entirety, it is still possible to focus on particular features that may be a determinative influence on the public's perception [*Pink Panther Beauty Corp. v. United Artists Corp.* (1998), 80 C.P.R. (3d) 247 (F.C.A.) at 263]. The Supreme Court in *Masterpiece* advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique. In the present case, I find that the most striking portion of both parties' marks is the word HORSE, particularly when one is considering the marks as sounded. Visually, the design features of the Applicant's Mark become noteworthy, but I cannot say that they would outweigh the significance of the words that dominate the center of the mark, namely RED HORSE, and particularly the more unique word HORSE. The ideas suggested by each mark are similar.

[30] Overall, the degree of resemblance between the marks favours the Opponent.

*other surrounding circumstances*

*i) state of the register*

[31] Ms. Buckingham, a trade-mark searcher employed by the Applicant's agents, conducted searches of the Trade-marks Register on June 16, 2009 directed to RED, HORSE and the design of a horse for the wares "beer, ale, brewed alcoholic beverages, bière, malt beverages and alcoholic brewery beverages". I do not consider the searches directed to RED to be of use in the analysis of the likelihood of confusion between RED HORSE & Design and BLACK HORSE. Therefore I shall say nothing about those searches beyond the comment that they show that the Applicant is not the only party to adopt a trade-mark in this field that incorporates the word RED.

[32] I consider the most significant of the searches conducted to be the one directed to the word HORSE. I note that such search located the following marks:

1. LE CHEVAL BLANC & Design registered for beer, food services and beverage outlet;



2. FLYING HORSE registered for carbonated waters and soft drinks, beer, mineral waters, etc.;
3. FLYING HORSE & Design registered for carbonated waters and soft drinks, beer, mineral waters, etc. (same owner as 2 above);
4. GOLDEN HORSESHOE PREMIUM LAGER registered for alcoholic brewery beverages;
5. IRON HORSE registered for brewed alcoholic beverages;
6. IRONHORSE & Locomotive Design registered for brewed alcoholic beverages (same owner as 5 above).

[33] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)] The fact that four other entities have registered marks in the parties' field that include the word HORSE is insufficient for me to draw any inferences about the state of the marketplace.

[34] It is true that a greater number of marks were located by the search for the design of a horse. However, I agree with the Opponent that those search results are not particularly pertinent since those marks are by and large not similar to the Opponent's BLACK HORSE mark and there is no evidence that any of them would be sounded as "black horse" or even that the word "horse" would be used when sounded. As pointed out by the Opponent, marks that consist of a word and a horse design would presumably be sounded by saying only the word, for example KALIBER & Horse Design (registration No. TMA424,900) would be sounded as simply KALIBER. Contrary to the Applicant's submission, I am of the view that how a consumer would verbally refer to a trade-marked product when ordering is a relevant consideration.

*ii) state of the marketplace*

[35] Ms. Burkhardt, a law clerk employed by the Applicant's agent, conducted Internet searches of various liquor control commission websites across Canada and The Beer Store in Ontario on July 7, 2009 directed to HORSE, BLACK HORSE or RED in association with beer. Again, I do not consider the search directed to RED to be of significance to the present analysis and will not comment on it.

[36] Ms. Burkhardt found a listing for the Opponent's BLACK HORSE product as well as a listing for a product of the Applicant listed as RED HORSE. In addition, she found listings for the following third party beverages: i) IRON HORSE BROWN; ii) LE CHEVAL BLANC; iii) GOLDEN HORSESHOE; and iv) IRONHORSE (it is not clear if the first and fourth share a common source). However, I do not consider the state of the marketplace evidence to be of significant weight for the following reasons. Listings for four third party marks do not amount to much. It is unknown to what extent any of these other marks have become known in Canada. Moreover, there is only one mark that suggests an idea that is similar to that suggested by the marks at issue, i.e. a horse of a certain colour.

*iii) family of marks*

[37] I agree with the Applicant that the Opponent has not established a family of marks, and I note that the Opponent did not argue to the contrary at the oral hearing.

*iv) lack of evidence of confusion*

[38] An adverse inference concerning the likelihood of confusion may be drawn when concurrent use on the evidence is extensive and no evidence of confusion has been given by the opponent [*Christian Dior S.A. v. Dion Neckwear Ltd.* (2002), 20 C.P.R. (4th) 155 (F.C.A.) at para. 19]. However, no adverse inference can be drawn here because the parties' wares have been sold at opposite ends of the country and the Applicant's sales have been limited.

*conclusion*

[39] Having considered all of the surrounding circumstances, I find that the Applicant has not met its legal onus. The s. 12(1)(d) ground therefore succeeds based on registration No. TMA319,786 for BLACK HORSE.

#### Distinctiveness Ground of Opposition

[40] In order to meet its initial burden with respect to its distinctiveness ground of opposition, the Opponent was required to show that as of July 21, 2008 one or more of its marks was “known to some extent at least to negate the established distinctiveness of [the Mark], and its reputation in Canada should be substantial, significant or sufficient.” [*Bojangles’ International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.) at para. 34] The Opponent’s evidence concerning its BLACK HORSE mark satisfies this burden because a mark that is well known in a specific area of Canada can negate another mark’s distinctiveness [*Bojangles’* at para. 33] and the evidence supports a conclusion that BLACK HORSE was well known in Newfoundland as of the material date. In this regard I note that BLACK HORSE beer has been sold since 1922 and that annual sales volumes of BLACK HORSE beer in Newfoundland in each of the years 2000 to 2007 exceeded 12,000 hectolitres.

[41] The Applicant’s evidence as of July 21, 2008 is no stronger than it is as of today’s date. In fact it is weaker because most of the Applicant’s sales postdate 2008 as do the searches of the register and marketplace upon which it relies. Therefore, I find that the Applicant has not met its legal onus under this ground of opposition based on an analysis similar to that set out above with respect to the s. 12(1)(d) ground of opposition. The distinctiveness ground accordingly succeeds based on the Opponent’s BLACK HORSE mark.

#### Section 16 Grounds of Opposition

[42] Neither party focused submissions on the s. 16 grounds. As two other grounds of opposition have already been found to succeed, I will not address the s. 16 grounds.

Disposition

[43] 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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Jill W. Bradbury  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office