

**IN THE MATTER OF AN OPPOSITION by  
Pernod Ricard to Application No. 895,539 for  
the trade-mark RICKARD'S RED RR &  
Design filed by Molson Canada 2005**

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On November 6, 1998, Molson Breweries, a Partnership, filed an application to register the trade-mark RICKARD'S RED RR & Design (the "Mark"), as illustrated hereafter:



The application now stands in the name of Molson Canada 2005. The term "Applicant" is used throughout to refer to the entity that was the Applicant at the relevant time.

The Mark has been applied for registration in association with "brewed alcoholic beverages, namely beer" on the basis of use in Canada since at least as early as May 1, 1995. The right to the exclusive use of RICKARD has been disclaimed apart from the Mark. The application was advertised in the *Trade-marks Journal* of October 4, 2000 for opposition purposes.

On February 21, 2001, Pernod Ricard (the "Opponent") filed a statement of opposition against the application. I am translating the grounds of opposition as follows:

1. The application does not comply with the requirements of s. 30 of the *Trade-marks Act* R.C.S. 1985, c. T-13 (the "Act") since (a) the Applicant did not use the wares and services as stated; (b) alternatively or cumulatively, the Applicant has abandoned the Mark in whole or in part; and (c) the statement that the Applicant is satisfied that it is entitled to use the Mark in Canada is false in view of the content of the statement of opposition.
2. The Mark is not registrable pursuant to s. 12(1)(d) of the Act since it is confusing with the Opponent's registered trade-marks RICARD (Registration No. TMA157,477), RICARD (Registration No. TMA456,338) and PACIFIC RICARD (Registration No. TMA389,349).
3. The Applicant is not the person entitled to registration of the Mark since at the date of first use (which is otherwise denied) and at any other relevant time:
  - a) the Mark was confusing with the trade-marks RICARD and PACIFIC RICARD previously used or made known in Canada by the Opponent or for its benefit under

- licence or by its predecessors in title under similar circumstances in association with its wares, services and business of alcoholic and non alcoholic beverages, contrary to s. 16(1)(a) of the Act;
- b) the Mark was confusing with the trade-names RICARD and PERNOD RICARD previously used or made known in Canada by the Opponent or for its benefit under licence or by its predecessors in title under similar circumstances in association with its wares, services and business of alcoholic and non alcoholic beverages, contrary to s. 16(1)(c) of the Act;
- c) the application does not comply with the requirements of s. 30, the Mark is not registrable, and the Mark is not a used one but rather a proposed one, contrary to the introductory wording of s. 16(1) of the Act.
4. The Mark is not distinctive of the Applicant's wares and services nor is it adapted to distinguish the Applicant's wares and services from the wares or services of others, in particular from those of the Opponent: (i) in view of the adoption, use, making known and registration of the Opponent's alleged famous trade-marks and, as the case may be, the use and making known of the Opponent's alleged trade-names; (ii) as a result of its transfer, more than one person had rights into the Mark and exercised these rights contrary to the provisions of s. 48(2) of the Act; and (iii) the Applicant has authorized third parties to use the Mark in Canada and, in fact, these third parties have used it outside the scope of the legislation governing the use under licence, contrary to the provisions of s. 50 of the Act.

The Applicant filed a counter statement on April 11, 2001 and was granted leave to file an amended counter statement June 9, 2005. Both parties filed evidence, written arguments and were represented at the oral hearing. At the oral hearing, the Opponent withdrew the following grounds of opposition:

- Non-compliance with s. 30 of the Act.
- Non-registrability based upon confusion with the trade-mark PACIFIC RICARD of Registration No. TMA389,349.
- Non-entitlement pursuant to the introductory wording of s. 16(1) of the Act and to s. 16(1)(a) on the basis of confusion with the trade-mark PACIFIC RICARD.
- Non-distinctiveness based upon the provisions of s. 48(2) and s. 50 of the Act.

### **Opponent's evidence**

The evidence filed pursuant to rule 41 of the *Trade-marks Regulations (1996)* (the "Regulations") consists of Certificates of Authenticity of the Opponent's trade-mark registrations

and of an affidavit of Armando de Medeiros, sworn November 12, 2001. Mr. de Medeiros was cross-examined on April 30, 2002. The transcript of his cross-examination and exhibits thereto form part of the record. On December 15, 2003, the Opponent was granted leave to file a supplemental affidavit of Mr. de Medeiros, sworn May 27, 2003 as additional evidence pursuant to rule 44(1) of the Regulations. On February 5, 2005 the Registrar denied the Opponent's request for leave to file the affidavits of Zeina Waked and Nathalie St-Jacques as additional evidence; both affidavits were returned to the Opponent.

The Certificates of Authenticity confirm that the Opponent owns Registration No. TMA157,477 for the trade-mark RICARD, registered on July 5, 1968, and Registration No. TMA456,338 for the trade-mark RICARD & Design, registered on September 26, 1994.

Since the supplemental affidavit of Mr. de Medeiros only serves to introduce a copy of a license agreement between the Opponent and Ricard S.A. (the "License Agreement"), I will principally review the evidence introduced by his first affidavit. I will refer only to those portions of his cross-examination that I consider relevant to my review of the evidence and issues. I will not discuss evidence relating to the trade-mark PACIFIC RICARD as it is no longer relied upon.

In his first affidavit, Mr. de Medeiros identifies himself as President of Pernod Ricard Canada Groupe Pernod Ricard Limitée since April 1, 2000, whereas in his supplemental affidavit he identifies himself as President of Pernod Ricard Canada Limitée. In cross-examination, he confirmed being President of Pernod Ricard Canada since April 2000 [p. 6 of the transcript]. There is arguably some ambiguity with respect to the name of Mr. De Medeiros' company. In any event, I shall use PR Canada throughout to refer to his company. Prior to his current function, Mr. De Medeiros was involved "*...à divers titres dans les filiales de Groupe Pernod Ricard*". The cross-examination revealed that he was Vice President Sales & Marketing of PR Canada for two years, but prior to that he worked for companies unrelated to Groupe Pernod Ricard [pp. 7-8 of the transcript]. Thus, I conclude that Mr. de Medeiros has been with PR Canada since April 1998.

Mr. de Medeiros states at paragraph 4:

*De par mes titre, fonction et position au sein de l'organisation de PR Canada, de par les relations privilégiées existant entre cette société et Pernod Ricard de même que par mes expériences et relations personnelles avec Pernod Ricard et ses représentants, j'ai également accès à certaines informations touchant la commercialisation au Canada des produits de Pernod Ricard –dont le pastis « RICARD »- et suis également à même d'obtenir toute information pertinente.*

PR Canada is a member of Groupe Pernod Ricard. This group includes the Opponent, a holding company, and its subsidiaries [p. 25 of the transcript]. PR Canada represents the Opponent's RICARD pastis in Canada. PR Canada, which produces some products, does not produce the RICARD pastis. It is only the "distributor" [p. 11 of the transcript]. PR Canada has been incorporated following the acquisition by the Opponent of Nihco International, "*une agence de vins et spiritueux canadienne*" [pp. 8-9, 41 of the transcript]. At the date of the cross-examination (April 30, 2002), PR Canada had been in existence for 5 ½ years [pp. 8 and 41 of the transcript]. It appears from exchanges that took place during the cross-examination, that SEGM, Société des exportations des Grandes Marques, distributed the RICARD pastis in Canada between 1974 and 1990 [pp. 17, 38-42 of the transcript]. Mr. de Medeiros did not have access to SEGM's records [p. 42 of the transcript]. Although reference was made to Austin Nichols during the cross-examination, any role it may have had with respect to the commercialization of the Opponent's product is unclear to me. The Applicant argues that Mr. De Medeiros did not fulfill his undertaking to provide copies of any distribution agreement between the Opponent and PR Canada, nor did he advise that such documents do not exist. I am not willing to interpret the failure to provide the document against the Opponent. In that regard, I note that Mr. de Medeiros testified that agreements were either verbal (my underlining) or written [p. 12 of the transcript]. Further, I believe that Mr. de Medeiros has misused the word "distributor" when discussing PR Canada's or Nihco's activities because the function of representing a trade-mark does not appear to correspond to a distribution function [pp. 47-48 of the transcript].

Mr. de Medeiros states that the Opponent, a French company, was created in 1974 through the merger of Ricard and Pernod, two major French companies, and it became the owner of the trade-mark portfolio of both companies through the merger. Although the undertaking to provide a copy of the document filed with the Canadian Trade-marks Office with respect to the 1974

merger has not been fulfilled, I will not interpret this failure against the Opponent as the ownership, validity and enforceability of its registrations are not at issue in this proceeding.

According to Mr. de Medeiros, the RICARD pastis is the third largest selling spirit product in the world. He filed a book entitled *Le Pastis: Histoire, Élaboration, Consommation* published in 1984 that provides a brief history of the Opponent's business, of the use of the trade-mark RICARD and of the worldwide distribution of the RICARD products. The book could be construed as hearsay evidence as far as its content is concerned. Furthermore, Mr. de Medeiros admitted that the book has not been distributed as promotional material in Canada [pp.75-78 of the transcript].

Mr. de Medeiros states that since 1934, the Opponent by itself, as well as through its distributors and licensees, or its predecessors-in-title, has operated a business involved in the manufacturing, distribution and sale, among others, of aperitif, spirits, alcoholic and non-alcoholic beverages under the trade-mark RICARD. The undertaking to provide the names of the Opponent's predecessors-in-title from 1934 to 1974 has not been fulfilled. However, I find it reasonable to conclude that there was but one predecessor-in-title, namely Ricard S.A., given the following remark of the Opponent's counsel [p. 19 of the transcript]:

*Me LAURENT CARRIERE:*

*Suivant l'information que j'ai de mémoire, depuis mil neuf cent trente quatre (1934) entre mil neuf cent trente quatre (1934) et mil neuf cent soixante quatorze (1974) il n'y avait eu que Ricard S.A., que Ricard S.A., ça serait plus exact, jusqu'à la fusion en mil neuf cent...fusion, absorption, réorganisation en mil neuf cent soixante quatorze (1974) et ça sera notre réponse à moins d'avis contraire.*

Mr. de Medeiros states that the Opponent by itself, as well as through its licensees and its predecessors-in-title, has been using the trade-mark and trade-name RICARD in Canada since at least 1954 in association with pastis, and that the RICARD pastis has been continuously sold across Canada through outlets controlled by provincial Liquor Control Boards. He provides current labels for the RICARD pastis, stating that they are representative of the labels used since 1954. I conclude that these labels correspond to the front and back labels of the RICARD pastis bottle [Exhibit 1 of the transcript]. Both labels are acceptable to show use of the trade-mark RICARD within the meaning of s. 4(1) of the Act. The front label also supports the use of the

trade-mark RICARD & Design of Registration No. TMA456,338. Insofar as labels are concerned, the following excerpt of the cross-examination is of interest [p. 55 of the transcript]:

*Q. [150] Maintenant, est-ce que l'étiquette que l'on voit a toujours été la même au Canada, grosso modo?*

*R. Je pense que oui. Il est normal qu'une marque ou qu'une étiquette subisse de petits changements, soit la couleur du gold qui entoure ici ou soit la couleur...ça, c'est possible comme dans toutes les compagnies et probablement celle que vous représentez aussi, mais l'essentiel c'est que le consommateur reconnaisse, il n'y ait pas de confusion.*

*Q. [151] Je posais la question à savoir est-ce que les étiquettes se réfèrent toujours à Ricard S.A. ou est-ce qu'à un moment dans le passé il y a eu un autre producteur du produit?*

*R. À ma connaissance, c'est toujours Ricard S.A.*

Mr. de Medeiros did not fulfill his undertaking to provide a sampling of previous labels for RICARD pastis as distributed in Canada. Furthermore, he did not indicate that such labels did not exist. I therefore agree with the Applicant's submission that the failure to fulfill the undertaking should be interpreted against the Opponent [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.)].

Testimony on the manufacturing and distribution of the RICARD pastis sold in Canada was provided during cross-examination [pp. 26-34 of the transcript]. Ricard S.A. manufactures the RICARD pastis under license by the Opponent. Provincial Liquor Boards, such as the Société des Alcools du Québec ("SAQ"), order the product directly from Ricard S.A. The role of PR Canada, which was described at length, may be summarized as taking all necessary measures, including conducting promotional activities, to increase the sales of RICARD pastis in Canada.

Mr. de Medeiros states that the RICARD pastis can be described either as a spirit or a liqueur because it contains 45% of alcohol. It can also be described as an aperitif because most consumers drink it with fresh water or juice. In the past, the SAQ put the RICARD pastis with the liqueurs, but it now puts the RICARD pastis with the aperitifs. It is not a distilled product, but rather a product of maceration [pp. 66-67 of the transcript].

According to Mr. de Medeiros, the worldwide annual sales of the RICARD pastis have never been less than 60 millions of litres and sales figures have never been less than FF 1,5 billion since 1975. Mr. de Medeiros does not provide a breakdown of these figures, either per country or per year, to preserve trade secret and confidential information. According to Mr. de Medeiros, annual sales of RICARD pastis in Canada have never been less than 50,000 litres and sales figures have never been less than \$140,000 since 1985. In 2000, 87,714 litres of RICARD pastis were sold in Canada. Mr. de Medeiros testified that he has obtained the sales figures from “*l’ACD, l’Association des Distillateurs Canadiens, qui vous donne exactement le nombre de caisses vendues au Canada par produit, par marché ...*” [p. 43 of the transcript]. Approximately 70% of the sales take place in the Province of Quebec [p. 81 of the transcript].

Mr. de Medeiros provides the approximate amounts, in French francs, expended in advertisement and promotion of the RICARD pastis in Canada from 1989 to 1996 and in 2000. According to Mr. de Medeiros, the RICARD pastis had the most significant increase in the Province of Quebec for the liqueur market in 1995 (14.74%). This progression was 10% in 2000. In view of some of the years identified and of the currency of the amounts, I find it reasonable to conclude that these sums have not been expended by PR Canada. Still, there is arguably some ambiguity as to whether they have been expended by the Opponent, a licensee or another entity. The Applicant argued that the amounts, even if accepted, represent very limited expenditures until 1996, when the advertising budget seems to have risen about 500%. Mr. de Medeiros confirmed that the promotional budget for the year 2000 is in fact larger than the actual sales figures for the product [p. 83 of the transcript].

The trade-mark RICARD is promoted through sponsorships and tasting activities, the promotion of social, cultural and sporting events as well as through promotional activities at SAQ outlets. The publicity in Canada takes the form of promotional materials distributed to establishments holding a liquor licence; pamphlets are also distributed at tasting activities where people are taught how to drink RICARD pastis. The purpose of the promotional activities is to create a “Provencal” atmosphere and to associate the RICARD pastis with the South of France. There is occasional advertisement in newspapers, but there is no radio or television advertisement [pp. 71-74 of the transcript].

Mr. de Medeiros, who states that the trade-mark RICARD is famous, testified that PR Canada conducts surveys as well as internal marketing studies with respect to sales of RICARD pastis [pp. 34-37 of the transcript]. Mr. de Medeiros was asked to provide copies of internal and external marketing studies, but did not provide the documentation. I conclude that the failure to fulfill the undertaking should be interpreted against the Opponent.

Copies of 1995 and 2001 invoices relating to the purchases of RICKARD'S beer in a restaurant setting constitute inadmissible hearsay evidence since Mr. de Medeiros did not make the purchases. Also, I afford no weight to his allegation of the risk of confusion between the parties' respective wares since it relates to the issues to be decided by the Registrar.

In completing my analysis of the Opponent's evidence, I need to address the hearsay and control issues raised by the Applicant.

#### *Hearsay issue*

The Applicant submits that the sales and advertising evidence introduced by Mr. de Medeiros, or at least the evidence predating 1998, constitutes inadmissible hearsay evidence. The Opponent submits that the only reasonable conclusion is that as President of PR Canada, Mr. de Medeiros has access to all information relating to the marketing of the RICARD pastis in Canada and thus his evidence must be found admissible.

I acknowledge that Mr. de Medeiros testified that some of the information relating to the marketing of the RICARD pastis in Canada is part of PR Canada's records [pp. 14-15 of the transcript]. However, he did not specify the nature of the available information. Further, he specifically stated having access to "certaines informations touchant la commercialisation au Canada des produits de Pernod Ricard..." (my underlining). I would add that Mr. de Medeiros' testimony that he did not have access to SEGM's records seemingly contradicts the argument that he has access to all information relating to the marketing of the RICARD pastis in Canada. Accordingly, I believe there is a legitimate concern about Mr. De Medeiros attesting to facts that predate his employment with PR Canada. I am therefore disregarding those portions of his



evidence. I would add that the Canadian sales figures constitute double hearsay evidence since Mr. de Medeiros relied on data collected by a third party. Further, no reasons were given as to why a person having direct knowledge could not have provided the evidence [see *R. v. Khan* [1990] 2 S.C.R. 531].

#### *Control issue*

The Applicant submits that the Opponent cannot benefit from the use of the trade-marks RICARD and RICARD & Design by Ricard S.A. pursuant to the provisions of s. 50(1) of the Act, because it has failed to evidence either direct or indirect control over the activities of Ricard S.A. From the outset, I note that it is well established that corporate structure alone is insufficient to establish the existence of a licence within the meaning of s. 50 of the Act. There must also be evidence that the owner controls the use of its trade-mark by subsidiaries and takes steps to ensure the character and quality of the wares and services provided [see *MCI Multinet Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.); *Loblaws Inc. v. Tritap Food Broker* (1999), 3 C.P.R. (4<sup>th</sup>) 108 (T.M.O.B.)]. On the other hand, s. 50 of the Act does not require a written agreement.

Although Mr. de Medeiros deposes that the Opponent controlled the quality of the products, I conclude from his cross-examination that he does not have personal knowledge of the Opponent's control over the activities of Ricard S.A. His allegations of control are seemingly the results of his contention that “*ça se fait puis c'est de pratique courante*” and of a past professional experience [pp. 33-34 of the transcript]. In my view, Mr. de Medeiros' allegations by themselves are not sufficient for evidencing that the Opponent exercises either direct or indirect control over the character and quality of the RICARD pastis sold in Canada. Thus, I shall turn to the License Agreement, starting with Article 2, which reads as follows:

*RICARD pourra fabriquer elle-même sous sa responsabilité, les produits couverts par les marques concédées à l'aide des procédés et formules détenues par PERNOD RICARD. Ceux-ci seront confiés exclusivement au Président Directeur Général et au Directeur de la Fabrication de la société RICARD, qui devront les garder secret et ne les divulguer ni à l'extérieur, ni à l'intérieur de la société. Les Laboratoires de PERNOD RICARD apporteront leur concours chaque fois que cela sera nécessaire.* (My underlining)

*RICARD fera tous ses efforts pour développer au maximum les ventes avec l'aide et sous le contrôle des services spécialisés de PERNOD RICARD. La publicité sera effectuée à ses frais et dans les limites imposées par la réglementation en vigueur.*

The Applicant relies on the wording “*RICARD pourra fabriquer elle-même sous sa responsabilité, les produits couverts par les marques concédées*” to argue that Ricard S.A sets the quality standard of the product. The Opponent relies on the wording “*à l'aide des procédés et formules détenues par PERNOD RICARD*” to argue that it sets the quality standard. I would note that the mention that processes and formulas are entrusted with the licensee’s President and Chief Executive Officer and with the licensee’s “*Directeur de la Fabrication*” seemingly lends support to Mr. de Medeiros testimony based on his professional experience [pp. 33-34 of the transcript].

In addition, the Applicant argues that Article 3 of the License Agreement only permits the Opponent’s access to the licensee’s accounting records and that it is not a provision allowing for control to ensure the character and quality of the wares. The Opponent notes that Article 3 is not restricted to financial control as it also provides for technical assistance.

Pursuant to Article 5 of the License Agreement, the license was granted for a period of 9 years, starting January 1, 1996. Even if I accept the Opponent’s argument that there could have been a prior verbal license agreement, I note that the preamble of the License Agreement provides that the Opponent is extending the license that has already been granted for use in France and the Principality of Monaco. Accordingly, I am inclined to agree with the Applicant that any prior verbal licence agreement would not have extended to Canada. I would add that even if the name Ricard S.A. appears on the label, there is no indication that it is a licensee. Thus the Opponent does not benefit from the presumption created by s. 50(2) of the Act. In any event, given the Opponent’s failure to provide sampling of previous labelling, there is no admissible evidence that the name of Ricard S.A has always appeared on the label.

Having regard to the above, I am not satisfied that the Opponent has shown its entitlement to the benefit of s. 50(1) of the Act prior to January 1, 1996. I would add that my conclusion is based on the evidence filed in the present record and is not a finding with respect to the validity of the

Opponent's registered trade-marks [see *Petro-Canada v. Air Miles International Holdings N.V.* (1998), 83 C.P.R. (3d) 111]. I would also add that even if I am wrong in so finding, the overall outcome in the present case would have been the same given my prior conclusions with respect to the hearsay evidence introduced by Mr. de Medeiros.

### **Applicant's evidence**

The evidence, filed pursuant to rule 42 of the Regulations, consists of the following affidavits:

- Affidavit of Michael S. Downey, sworn August 9, 2002.
- Affidavit of D. Jill Roberts, sworn October 3, 2002.
- Affidavit of Hartmut Brueck, sworn September 11, 2002.
- Affidavit of Abraham Lionel Weinberg, sworn September 25, 2002.
- Affidavit of Guy Champagne, sworn August 7, 2002.
- Affidavit of Jacques Nantel, sworn October 1, 2002.

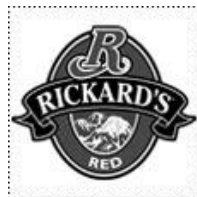
Although the Opponent obtained an order for the cross-examination of each affiant, the Opponent only cross-examined Ms. Roberts, Mr. Downey, Mr. Champagne and Dr. Nantel. The transcripts of the cross-examinations and reply to undertakings were filed on October 6, 2003. The exhibits to the cross-examination transcripts of Mr. Downey, Mr. Champagne and Dr. Nantel were filed on September 11, 2006. I will refer only to those portions of the cross-examinations that I consider relevant to my analysis of the evidence and issues. I note at the outset that copies from website pages of the company Diego cannot serve as reliable evidence in the present proceedings [pp. 15-16 of the transcript of Mr. Downey's cross-examination and Exhibit MD-1].

#### *Affidavit of Michael S. Downey*

Mr. Downey, who has been President, Ontario/West Region of the Applicant since August 15, 2001, has held various positions within the Applicant starting in January 2000. Mr. Downey details the positions that he has held in both the brewing and sport and entertainment industries prior to working for the Applicant.

Mr. Downey testified that the Applicant manufactures malt-based products (beer and malt-based cooler) and distributes imported beer from other companies (“partners’ products”) [pp. 9-11 of the transcript]. The Applicant’s products are sold in establishments that sell alcoholic beverages, which include: bars, restaurants, clubs, convenience stores in the Province of Quebec, beer stores in provinces other than Quebec, outlets of the Liquor Control Board of Ontario (“LCBO”) and SAQ outlets [pp.11-13 of the transcript]. However, in responses to undertakings, the Applicant indicated that none of its products, including RICKARD’S beer, and none of its partners’ products are found in SAQ outlets. The Applicant further indicated that FOSTER’S beer, a partners’ product, had been on the SAQ listings from June 1999 to January 2003. Mr. Downey testified that beer may be drunk as an aperitif, namely before a meal, but not primarily [pp. 14 and 43 of the transcript].

Mr. Downey provides photographs of bottles of RICKARD’S RED beer, RICKARD’S GOLD beer and RICKARD’S PALE beer. He testified that the RICKARD’S RED label shown in the relevant photograph has been in use since 2001 [p. 24 of the transcript]. The label displays the logo reproduced below (the “RICKARD’S RED Logo”):



Mr. Downey filed a copy of Registration No. TMA431,946 dated August 19, 1994 for the Applicant’s trade-mark RICKARD’S RED RR Draft & Design registered in association with “brewed alcoholic beverages, namely draught ale and draught lager”, based on use in Canada since December 8, 1991. No matter how similar the Mark is, the ownership of Registration No. TMA431,946 does not give the Applicant the automatic right to the registration of the Mark [see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.)].

Mr. Downey states that RICKARD’S RED beer has been sold in Canada since at least as early as 1983, and that the RICKARD’S brand is sold in every province of Canada with the exception of

New Brunswick and Prince Edward Island. During the five fiscal years prior to April 1, 2002, the Canadian sales of beer bearing the RICKARD'S trade-mark were in excess of 150,000 hectolitres, which is equivalent to 40 million bottles of beer (341ml size); over 80% of the beer sold was under the trade-mark RICKARD'S RED.

Mr. Downey deposes that the trade-mark RICKARD'S RED appears on bottles, cans and cartons. He provides copies of labels, which he states have been used on RICKARD'S products since 1995. I note that the Mark is displayed on labels identified as the 1995, 1998 and 1999 labels. Mr. Downey further states that the RICKARD'S RED brand of beer has been and is typically packaged in cartons. He provides photographs of cartons and of the bottle labelling for the RICKARD'S RED products. These display the RICKARD'S RED Logo.

Mr. Downey states that the Applicant extensively promotes its RICKARD'S family of beers. According to Mr. Downey, marketing and sales expenditures were in excess of 30 million dollars over the past five years, and most of these expenditures were for RICKARD'S RED. In cross-examination, Mr. Downey was unable to specifically indicate what portion of the expenditures would apply to RICKARD'S RED, but he reiterated that it would be the majority [p. 26 of the transcript]. In reply to an undertaking on this point, the Applicant indicated that since the entire RICKARD'S family of beers shares much of the sales and promotional costs, it is not possible to break down precisely the amount allocated exclusively to RICKARD'S RED. However, the Applicant was able to provide a breakdown of the marketing and sales expenditures for the RICKARD'S beer by province for each year from 1998 to 2002 as well as a breakdown of the number of bottles of RICKARD'S RED beer sold by province for each year from 1998 to 2002.

Mr. Downey provides details with respect to the Applicant's various means of advertisement and promotion, which include: outdoor billboards, newspapers, radio advertising, television advertising, press release, live consumer promotions at sporting and entertainment events, on-premises promotions in licensed establishments. He also attests to brewpubs and brew houses operated by the Applicant and provides photographs of signage at these locations. According to Mr. Downey, several millions of patrons have attended Rickard's brew houses and brewpubs. These establishments are operated exclusively by the Applicant [pp. 35-36 of the transcript].

Mr. Downey states that the RICKARD'S family of beers is an extremely important line for the Applicant and that RICKARD'S RED has been a favourite at pubs and taverns as draught ale since 1983. He opines that as a result of the long standing use and extent of sales of RICKARD'S RED, the RICKARD'S RED brand has become very well know in Canada and is always associated with the Applicant. Relying upon his professional experience and documents (beer survey, internet entry, recipes), Mr. Downey discusses the reputation of the RICKARD'S RED beer throughout Canada. He concludes to a strong indication that the RICKARD'S RED trade-mark has become extremely well-known in the Canadian marketplace. He also provides his opinion with respect to the absence of confusion between the trade-marks. I do not afford much significance to Mr. Downey's opinions as in addition to being self-serving, his statements relate to the issues to be decided by the Registrar.

Finally, Mr. Downey states that in the fifteen years since the Applicant introduced RICKARD'S RED beer, it has never experienced any instances of confusion between its product and the Opponent's product and would not expect such confusion in the future in view of the differences between the products. Mr. Downey testified that other than the reading of consumer complaints, the Applicant had no formal procedure to monitor cases of confusion. There has never been feedback from the Applicant's sales forces that there has been confusion when people are ordering products [p. 40 of the transcript].

In concluding my analysis of the affidavit, I note that in its written argument, the Opponent submitted that the evidence did not show use of the Mark after 1998. However, at the oral hearing, the agent for the Opponent agreed that the evidence introduced by Mr. Downey shows that the Mark has been used on tap handles, labels and packaging from 1995 to 2001 and that the Mark has continued to be used on tap handles since 2001. The agent for the Applicant acknowledged that the labels and packaging used since 2001 do not display the Mark.

#### *Affidavit of D. Jill Roberts*

Ms. Roberts is a law clerk employed by the agents for the Applicant. A large part of her affidavit consists of statements and corresponding exhibits with respect to what she did and what she

noticed when attending at different bars, restaurants and pubs located in Ottawa from April to September 2002, as well as when attending at Beer Store outlets in April 2002. In addition to some hearsay issues in Ms. Roberts' testimony, it is apparent that her evidence based on attendances in bars, restaurants, pubs and beer stores relates to contested issues, in particular the Applicant's arguments with respect to differences in the nature of the wares and the channels of trade associated with the trade-marks at issue. Since Ms. Roberts was an employee of the Applicant's agent firm at the time of her affidavit, I find it reasonable to conclude that she is not an independent witness giving unbiased evidence [see *Cross Canada Auto Body Supply (Windsor) Limited et al. v. Hyundai Auto Canada* (2005) F.C. 1254]. Therefore, I will accept any statements of facts in her evidence, but will disregard her opinions as well as any allegations that may qualify as opinions.

Ms. Roberts also introduces into evidence photocopies of pages from a 1994 catalogue to illustrate "some of the promotional materials that were available to advertise the RICKARD'S RED brand of beer in 1994". She also introduces into evidence pages from Pernod Ricard website stating that it specifically indicates: "The Group is involved in all the drink sectors, excluding water and beer". She files excerpts of various websites and provides opinions based thereon. Apart from my previous finding that she is not an independent witness, her allegations based on the catalogue and third party websites are inadmissible as hearsay evidence. I am therefore not affording any significance to this evidence. I am also not affording any weight to Ms. Roberts' statement that she noted extensive outdoor billboard and other exterior signage advertising RICKARD'S products in the Ottawa area during the course of the summer. I accept that she took the photographs of the billboard and recycling containers provided with her affidavit, but I am disregarding her statements that these are representative of billboards and recycling containers advertising RICKARD'S RED beer.

I am willing to accept the results of Ms. Roberts' searches of the Canada 411 website conducted on April 15, 2002 to locate persons with the surname Ricard as well as business names including this surname.

Finally, Ms. Roberts refers to provisions of the *Food and Drugs Act*, including to the definitions of “liqueur or spirituous cordial” and of “beer”. Although I may consider the provisions of the *Food and Drugs Act*, I am not affording any weight to Ms. Roberts’ opinion that the *Food and Drugs Act* clearly differentiates “beer” from “liqueurs or spirituous cordials”.

*Affidavit of Hartmut Brueck*

Mr. Brueck, an articling student employed by the Applicant’s agents, attended at a Beer Store in Scarborough, on May 19, 2002, where he purchased a RICKARD’S Tasters 12 pack of beer. He provides photographs of the carton, photocopies of the top, front, back and side panels of the carton, photographs of the bottles and labels used thereon. Mr. Brueck lengthily describes the information on the carton, labels and bottle caps, but his statements are limited to facts.

*Affidavit of Abraham Lionel Weinberg*

Mr. Wienberg’s affidavit introduces evidence with respect to the labelling for KRONENBOURG beer. Suffice to say that this evidence has no impact on the outcome of the opposition.

*Affidavit of Guy Champagne*

Mr. Champagne is the President of Guy Champagne Inc., a market consultancy firm. He describes the purposes of his affidavit at paragraph 5, which reads:

*I was asked by Professor Jacques Nantel, of the École des Hautes Études Commerciales, of the University of Montreal, to assess the marketplace and secondary sources concerning the way in which RICKARD’S RED beer on the one hand and RICARD “Pastis de Marseille” on the other hand are marketed and promoted in Canada and to determine whether there is any indication that an assumption of common origin is made between the two products.”*

Mr. Champagne did not indicate when he was entrusted with his mandate, but Dr. Nantel confirmed during his cross-examination [p. 32 of the transcript] that it was in the spring of 2002.

Since most of the Opponent’s sales take place in the Province of Quebec, Mr. Champagne considered that it was appropriate to conduct the market place research in this province. To conduct his mandate, he personally attended at point of sale outlets, including SAQ outlets, grocery stores and convenience stores (“dépanneurs”), as well as at several restaurants, cafés and



bars. He also consulted secondary sources, which are banks of information or data not specifically created for any individual mandates. Given Mr. Champagne's experience and profile, I accept that publicly available secondary sources, such as the ones he has relied upon (Exhibits "C" to "E"), are reliable and useful as well as widely and routinely used and relied upon in the marketing field.

Mr. Champagne discusses throughout his affidavit the different factors that he took into consideration, namely: the retail market place; Ricard "Pastis de Marseille" and the SAQ; distribution channels for RICKARD'S RED; price of the respective products; labelling and appearance of the bottles; the retail level; sales in restaurants and bars; promotional activities; nature of the products; proportional differences in the marketplace; and typical consumers of the respective products.

At paragraph 52 of the affidavit, he opines: "...*the respective products of the parties never come into competition...they exist in completely different competitive universes. RICARD "Pastis de Marseille" ...emphasizes the relationship with France and Provence. RICKARD'S RED is promoted as a Canadian premium beer product.*". In addition to concluding that the products are very different, not being consumed in the same way, Mr. Champagne concludes that the products in the market place show differences on virtually every point. The statements supporting his last conclusion may be summarized as follows: the products do not look alike; the respective brand names would not be pronounced similarly; the products are not sold in the same retail outlets and are priced very differently; they are directed and targeted to a completely different consumer segment; they are advertised and promoted very differently; the respective labelling and bottle size are totally different.

Mr. Champagne concludes his affidavit by stating at paragraph 55:

*The research that I performed indicates that from a marketing standpoint, the two products are completely distinct. From a practical point of view, the likelihood of the respective products of the parties, being viewed as either competitive or associated seems to be very remote, as does the likelihood [sic] that the alcoholic beverages [sic] consuming public would be confused between the products or as to the source of the products.*

*Affidavit of Jacques Nantel*

Dr. Nantel is a professor of marketing at École des Hautes Études commerciales. In addition to his academic and research activities, he performs consulting services for a number of businesses in the private sector. He states that he is very familiar with the alcoholic beverages businesses in Canada, and in particular the brewing industry. He provides details of his activities in this field, which include the performance of market segmentation and product positioning studies for Molson in 2000 and 2001. He adds having a very good knowledge of the various alcoholic businesses in Canada.

Dr. Nantel deposes that during the spring of 2002, he was retained by the law firm of Macera Jarzyna LLP to provide “...my expert opinion on the issue of the likelihood of confusion, if any, of the average consumer making an assumption of common origin between the RICKARD’S RED beer on the one hand, and RICARD “Pastis de Marseille” on the other” (paragraph 10). In order to assist in formulating his opinion, he was provided with copies of the application, statement of opposition, counter statement, affidavit of Mr. de Medeiros and transcript of the cross-examination. Dr. Nantel, who requested the assistance of Mr. Champagne, deposes as follows:

*13 [...] The results of Mr. Champagne’s analysis are set out in his Affidavit, which I have read. His findings, standard of marketing principles and my experience as an academic researcher and consultant form the basis of the opinion and conclusions set out hereafter in my Affidavit.*

*14 Attached to this my affidavit and marked as Exhibit B is a copy of the Report prepared by Mr. Champagne and myself addressing the issues. This affidavit constitutes an elaboration and an explanation of the fundamental facts and principles outlined in the Report.*

In providing his opinion, Dr. Nantel reviewed the following factors and principles: the market place investigations; the importance of context; market place research in the Province of Quebec; the product, the labelling and the price structure; colour as a component of brand identity; products sold in different outlets; difference in promotional strategies market segmentation; target market for the products; habitual purchase decisions; high involvement purchase decisions; niche products; and Ricard being synonymous with pastis. Dr. Nantel testified that the references to the market place investigation in his affidavit are references to Mr. Champagne’s

investigation [p. 33 of the transcript]. The Opponent submits that the testimony of Dr. Nantel based on Mr. Champagne's investigation constitutes hearsay evidence. Since Mr. Champagne's affidavit and the transcript of his cross-examination are part of the record in the opposition, I do not agree with the Opponent's submission.

In view of the factors and principles discussed in his affidavit, Dr. Nantel identifies "highly pertinent elements to support his opinion that "...*the likelihood of an assumption of common origin between the products of the parties and bearing their respective trade-marks is remote.*" (paragraph 70). He concludes as follows (paragraph 71):

*Each of the above-cited factors taken individually mitigates the likelihood of an assumption of common origin between Ricard "Pastis de Marseille" and RICKARD'S RED beer. It is my professional opinion that taken collectively, the factors which differentiate the two products make such an assumption very remote. On virtually every point the products, their labelling, their consumer base, are totally different. There is little or no possibility of confusion between the respective products, and it is very unlikely that the average consumer of alcoholic beverages would assume that the products were manufactured, produced or sold by the same entity.*

### **Analysis of the grounds of opposition**

Each ground of opposition turns on the issue of the likelihood of confusion, but each ground has a different date for assessing this issue. The material date for considering the issue of confusion pursuant to s. 12(1)(d) is the date of my decision [see *Park Avenue Furniture Corp v. Wickers/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)]. The material date for considering the circumstances respecting the issue of entitlement pursuant to s. 16(1)(a) and s. 16(1)(c) of the Act is the date of first use alleged in the application. The material date with respect to the ground of opposition based upon distinctiveness has been generally accepted as the date of filing of the statement of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4<sup>th</sup>) 317 (F.C.T.D.)].

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. 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.

In *Mattel, Inc. v. 3894207 Canada Inc.*, (2006) SCC 22, Justice Binnie made the following comments with respect to the assessment of the criteria under s. 6(5) of the Act:

*54 Within the “all the surrounding circumstances” test, s. 6(5) of the Act lists five factors to be considered when making a determination as to whether or not a trade-mark is confusing. These are: “(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time the trade-marks or trade-names have 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 or trade-names in appearance or sound or in the ideas suggested by them”. The list of circumstances is not exhaustive and different circumstances will be given different weight in a context specific assessment. See *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.). In opposition proceedings, as stated, the onus is on the applicant (here the respondent) to show on a balance of probabilities that there is no likelihood of confusion.*

[...]

*56 What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand is it the “moron in a hurry” so beloved by elements of the passing-off bar: *Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd.*, [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: *Klotz v. Corson* (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also *Barsalou v. Darling* (1882), 9 S.C.R. 677, at p. 693. [...].*

The Opponent supported its contention of a risk of confusion by referring to various decisions in which trade-marks were found to be confusingly similar. It also strongly relied upon the decision *Pernod Ricard v. Molson Breweries* (1990), 30 C.P.R. (3d) 302 (T.M.O.B.); affirmed (1992) 44 C.P.R. (3d) 359 (F.C.T.D.). As interesting as precedents may be, the issue of confusion is a question of probabilities and surrounding circumstances based on the particular facts of a case. Furthermore, I do not accept the Opponent’s contention that the *Pernod Ricard* decision has “...un poids important en l’espèce et aucun fait significatif ne justifie que la Commission des Oppositions conclut différemment dans la présente procédure d’opposition.” Although it could suffice to say that *stare decisis* does not apply [see *Petro-Canada v. 2946661 Canada Inc. et al*

(1998), 83 C.P.R. (3d) 129 (F.C.T.D.)], I would add that this case perfectly illustrates the principle that each case must be decided on its own facts. The *Pernod Ricard* case involved a proposed use application, filed on October 7, 1983, for the trade-mark RICKARD'S RED. The present case involved an application for a design trade-mark, comprising the words RICKARD'S RED, filed on November 6, 1998 on the basis of use since May 1, 1995.

As for the Applicant, it has supported its contention of the absence of confusion by strongly relying upon the affidavits of Mr. Champagne and Dr. Nantel. I have no difficulties accepting that both are qualified to give an expert opinion. Furthermore, the fact that each expert opinion is on the ultimate issue to be decided in the opposition does not render the evidence inadmissible [see *L.G.S. Products Inc. v. Caprice Hosiery Canada Ltd.* (1984), 79 C.P.R. (2d) 183 (T.M.O.B.); *Xerox of Canada Ltd. et al v. IBM Canada Ltd.* (1977), 33 C.P.R. (2d) 24 (F.C.T.D.); *Jordan & Ste-Michelle Cellars Ltd. v. T.G. Bright & Co. Ltd. et al.* (1982), 71 C.P.R. (2d) 138 (F.C.T.D.)]. However, I cannot accept each opinion merely on the basis of the expertise of the deponent. Rather, I must examine the facts/assumptions upon which each expert has based his opinion in order to assess both its validity and the process by which it was reached [see *William H. Rorer (Canada) Ltd. v. Johnson & Johnson* (1980), 48 C.P.R. (2d) 58 (F.C.T.D.)].

### **Section 12(1)(d)**

The Opponent has discharged its initial burden of establishing the facts relied upon in support of the ground of opposition by providing Certificates of Authenticity of its Registration Nos. TMA 157,477 and TMA456,338. Therefore, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion. Since I consider Registration No. TMA 157,477 to be the most relevant of the alleged registrations, the determination of the issue of confusion between the trade-mark RICARD and the Mark will effectively decide the s. 12(1)(d) ground of opposition.

In assessing the likelihood of confusion under this ground of opposition, it is the Applicant's trade-mark in the specific design format applied for and the Opponent's registered trade-mark that are to be considered. While the expert opinion evidence appears compelling, I find that the value of such evidence is significantly diminished by the fact that both experts expressed their

opinion having considered the Opponent's trade-mark as RICARD "Pastis de Marseille". Further, it appears from the following excerpt of Dr. Nantel's cross-examination that his opinion and Mr. Champagne's opinion are not solely based upon the Applicant's trade-mark in the specific design format applied for [pp. 25-26 of the transcript]:

*Q- First of all, can you tell me if Mrs. Finlayson pointed out a specific design to you?*

*A- No.*

*Q- So, you were asked to look at the Rickard's brand in general?*

*A- That's correct. So, what is your question?*

*Q- Well, I guess you just answered. You weren't asked to look specifically at one (1) specific logo.*

*A- Basically, the way we did it is to look at all possible instances where those logos are being used in the trades. (My underlining)*

Furthermore, it is obvious that when providing their opinions, both experts have focused in part on the appearance of the bottles and the labeling for the products. Such an approach, which would be suitable in a passing off action but not in this proceeding, further diminishes the value of the expert opinion evidence. In addition, I believe that Dr. Nantel's opinion may be lacking in objectivity. For one thing, he performed market segmentation and product positioning studies for Molson in 2000 and 2001. Also, the report provided as Exhibit B to his affidavit (the "Report"), reveals that Dr. Nantel was aware of other trade-mark decisions involving the parties. Although he acknowledged that he did not read the decisions [pp. 33-32 of the transcript], I conclude that he knew that the expert opinion evidence was intended to support the Applicant's position. In that regard, the following sentence in the Report is significant: "*Dans un tel contexte, Molson Canada doit déposer sa preuve en tant que requérante pour cette marque*". I also have some reservations with respect to the value of Mr. Champagne's testimony on the Applicant's promotional activities based on an article published in *Marketing Magazine* (Exhibit "G").

*s. 6(5)(a): inherent distinctiveness of the trade-marks and the extent to which they have become known*

The fact that registrability of the trade-mark RICARD has been recognized pursuant to s. 14 of the Act does not take away the surname significance attaching to RICARD. Therefore even if one accepts that the trade-mark it is not without distinctive character, it still qualifies as a weak trade-mark. The Applicant acknowledged the surname significance of RICKARD in the Mark. The Applicant's evidence shows a descriptive connotation attaching to the word RED in

association with beer. I do not consider that the letters RR and the initials E.H. add to the distinctiveness of the Mark. Nonetheless, I agree with the Applicant's submission that the Mark, when considered in its entirety, has a higher degree of inherent distinctiveness than the Opponent's trade-mark.

I am satisfied that the Mark has become known throughout Canada to a greater extent than the Opponent's trade-mark. While it is not without merit for the Opponent to submit that restricting the use of the Mark to tap handles in 2001 resulted in less exposure than if it had continued to be used on packaging and labels, I do not think this has a significant impact. I would add that although most promotional signage photographed by Ms. Roberts displays the RICKARD'S RED Logo, some photographed promotional signage displays the Mark.

I therefore conclude that the inherent distinctiveness of the trade-marks and the extent to which they have become known favour the Applicant.

*s. 6(5)(b): length of time the trade-marks have been in use*

The registration of the Opponent's trade-mark on the basis of use in Canada since at least as early as 1954 is of little significance since the Opponent failed to evidence proper licensed use prior to January 1, 1996 and to provide reliable evidence of use of its trade-mark prior to 1998. I do not accept the Applicant's submission that the use of the trade-mark RICKARD'S RED since 1983 should be factored in because the use of said trade-mark does not amount to use of the Mark. The Applicant's evidence however does support the use of the Mark since 1995. Thus, this factor slightly favours the Applicant.

*s. 6(5)(c) and (d) - the nature of the wares, services or business and the nature of the trade*

In considering these criteria, it is the statement of wares in the application and the statement of wares in the registration that govern the assessment of the likelihood of confusion under s. 12(1)(d) of the Act [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)]. While the Opponent's evidence shows that its specific wares are "pastis", they still correspond to wares listed in the registration. In its written argument, the Applicant acknowledged that the wares

would fall into the same class, whereas at the hearing the Applicant's agent argued that the wares associated with the Mark fall into a different class than beer. Suffice to say that arguments raising differences between the classes of wares do not carry any weight as s. 6(2) of the Act lays it down in clear terms that the general class of wares is not controlling.

Although it is apparent that both experts have provided their opinion by focussing on "market segmentation", the following sentence at page 7 of the Report is significant: "*Bien entendu, au niveau global, les deux produits font parties des produits alcoolisés.*" I am unconvinced by the Applicant's argument that the nature of the wares is distinguishable because they are not consumed in the same way. I am also unconvinced by the Applicant's argument that the promotional strategy and means of advertising are significant in distinguishing between the wares. After reviewing all the evidence, I have no reasons not to conclude that the parties' wares could be both categorized as alcoholic products, and as such, they are part of the same industry.

Notwithstanding its efforts to distinguish the channels of trade, the Applicant has acknowledged that there is an overlap between them. Yet, the Applicant argued that where there is potential marketplace overlap, such as bars, pubs, restaurants and provincial Liquor Control Boards outlets, the wares are differentiated by category on the menus or listings and are not shelved in the same sections. I understand these arguments result from the Applicant's contention that the parties' respective wares have their own niche and are not in competition. However, the issue is not whether the Applicant's beer might be confused with the Opponent's pastis, but whether the public might believe that both products originate from the same source. In other words, the question to be resolved is would the average consumer create a link or an association between beer and the Opponent.

I conclude that the nature of the wares and the nature of the trade favour the Opponent.

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

The remaining criterion is the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested. In most instances, it is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery*



*Co. v. Regal Bedding & Upholstery Ltd.*, (1980) 47 C.P.R. (2d) 145, conf. 60 C.P.R. (2d) 70]. When considering this criterion, it is well established that the trade-marks must not be dissected into their components, but rather must be considered in their entirety.

Since it is the registered trade-mark that has to be taken into consideration, when considering this criterion I do not afford any significance to the front label displaying the expressions “apéritif anisé”, “anise apéritif” and “Pastis de Marseille”. I do not afford any significance to Mr. Champagne’s written testimony that the “respective brand names would not be pronounced the same” (paragraph 54B of his affidavit) since he refers to the Opponent’s trade-mark as RICARD “Pastis de Marseille”. Interestingly, Mr. Champagne testified that the consumer when ordering or purchasing the Opponent’s product would call the product either a Ricard or a Pastis [p. 27 of the transcript]. Despite the Applicant’s argument that the testimony of Dr. Nantel with respect to differences in pronunciation has not been contradicted, it should be noted that Dr. Nantel recognized that phonetic studies were not conducted [p. 41 of the transcript].

There is clearly a resemblance between RICARD and RICKARD. Although the Applicant attempts to downplay any similarities by alleging that the word RICKARD followed by ’S clearly conveys the idea of an English word, I agree with the Opponent’s contention that a francophone would pronounce the words RICARD and RICKARD’S in the same manner. That said, I agree with the Applicant’s contention that any resemblance between the trade-marks when sounded is simply one factor to be taken into account. I also agree with the Applicant that the design features of the Mark, including the predominance of the letters RR, result in important visual differences. In addition to the connotation attaching to the word RED for beer, this word somewhat takes away from the surname significance attaching to the word RICKARD whereas the only idea conveyed by the Opponent’s trade-mark is that of the surname RICARD. In view of the weakness of the Opponent’s trade-mark, when the differences between the trade-marks in appearance and in the ideas suggested are factored in, the balance tips in favor of the Applicant.

#### *Additional surrounding circumstance*

The Applicant submits that the long-standing coexistence of the parties’ trade-marks in the market place without any evidence of confusion is an important additional circumstance to be

taken into account. Relying on the decision *Mr. Submarine Ltd.*, supra, the Opponent submits that evidence of actual confusion is not necessary, even when trade-marks are shown to have operated in the same market for many years. In *Mattel, Inc.*, supra, Justice Binnie agreed with the following comments of Justice Décary in *Christian Dior S.A. v. Dion Neckwear Ltd.* (2002), 20 C.P.R. (4th) 155:

*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.*

In my view, the inherent distinctiveness of the Mark, the extent to which it has become known and the overall differences between the Mark and the Opponent's registered trade-mark, when considered in their entirety, outweigh the similarities between the wares and the nature of the trade. Thus, I do not need to consider the lack of evidence of any confusion as an additional circumstance to find in favour of the Applicant. For all intents and purposes, I would add that given the deficiencies of the Opponent's evidence, it would seem improper to conclude that there was concurrent use on the Canadian market place before 1998, or for that matter, to extensive use of the Opponent's trade-mark after 1998. Thus, the lack of evidence of confusion might not have had much impact on the probabilities of confusion.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. Having regard to the foregoing, I am satisfied that the Applicant has satisfied its burden to show on a balance of probabilities that the Mark is not confusing with the Opponent's registered trade-mark RICARD. I therefore dismiss the ground of opposition based upon s. 12(1)(d) of the Act.

### **Non-entitlement**

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 alleged trade-mark RICARD and trade-names RICARD and PERNOD RICARD, the Opponent has the initial onus of proving that its alleged trade-mark and trade-names were being used at the material date

(May 1, 1995) and had not been abandoned at the date of advertisement of the application (October 4, 2000) [s. 16(5) of the Act].

#### Section 16(1)(a)

Regardless of the deficiencies of the evidence introduced by Mr. de Medeiros, since I have previously concluded that any use of the trade-mark RICARD prior to January 1, 1996 did not enure to the benefit of the Opponent, I found that the Opponent has failed to meet its initial evidential burden. Therefore, I dismiss the ground of opposition based upon non-entitlement pursuant to s. 16(1)(a) of the Act.

#### Section 16(1)(c)

At the oral hearing, I conveyed to the agent for the Opponent that I was not satisfied that the Opponent had evidenced prior use, or for that matter any use, of its alleged trade-names RICARD and PERNOD RICARD in Canada. In response, the agent for the Opponent stated that such use is evidenced by Mr. de Medeiros' affidavit. With all due respect for the Opponent's agent, I cannot agree with her contention.

While Mr. de Medeiros refers to the Opponent conducting its activities "*tant sous sa dénomination actuelle que sous sa dénomination antérieure*" (paragraph 8 of his affidavit) as well as to the Opponent having used the trade-mark RICARD "*tant sous son nom que ses dénominations précédentes*" (paragraph 12 of his affidavit), there is no evidence specifically directed to the use of the trade-name PERNOD RICARD. Except for two instances where Mr. de Medeiros specifically refers to the trade-name RICARD, throughout his affidavit he refers either to the trade-mark RICARD, the RICARD products or the RICARD pastis. In my view, introducing the evidence without distinguishing whether it relates to the trade-mark or to the trade-name RICARD results in ambiguity that should be resolved against the Opponent [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]. Accordingly, I consider that the evidence introduced by Mr. de Medeiros only relates to the Opponent's trade-mark RICARD, but not to the Opponent's alleged trade name RICARD.

I find that the Opponent has failed to meet its initial evidential burden respecting the ground of opposition based upon s. 16(1)(c) of the Act, and is therefore unsuccessful on this ground.

### **Distinctiveness**

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 C.P.R. (3d) 272 (T.M.O.B.)]. Nevertheless, there is an evidential burden on the Opponent to show that its alleged trade-marks and trade-names had become known sufficiently at the material date to negate the distinctiveness of the Mark [see *Motel 6, Inc., supra; Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4<sup>th</sup>) 427 (F.C.T.D.)]. From the outset, I find that the Opponent did not discharge its initial evidential burden to show that the trade-names RICARD and PERNOD RICARD had acquired some distinctiveness as of February 21, 2001.

Having regard to the material date under this ground of opposition, I agree with the Opponent's submission that only the affidavit of Mr. Downey should be taken into consideration when considering the Applicant's evidence. Nonetheless, because I have disregarded most of the evidence introduced by Ms. Roberts and I did not afford any significant weight to the expert opinion evidence in considering the s. 12(1)(d) ground of opposition, I find that my prior conclusions remain applicable to this ground of opposition. Thus, I find that the Opponent has failed to meet its initial evidential burden respecting the distinctiveness ground of opposition, which is therefore unsuccessful.

### **Conclusion**

Having regard to the foregoing, and with the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 22<sup>nd</sup> DAY OF FEBRUARY 2007.

Céline Tremblay  
Acting Chairperson

## Trade-marks Opposition Board