

**IN THE MATTER OF AN OPPOSITION
by John Labatt Limited to application No. 545,048
for the trade-mark EXPORT filed by The Molson
Companies Limited and subsequently assigned to
Molson Breweries, A Partnership**

On June 28, 1985, The Molson Companies Limited filed an application to register the trade-mark EXPORT for "brewed alcoholic beverages" based on use in Canada since 1903. The application was advertised for opposition purposes on February 19, 1986. The application was subsequently amended to claim use of the mark since 1903 by the applicant and its predecessors in title Molson's Brewery Limited, Molson Breweries Limited and Molson Industries Limited. The application was later assigned to Molson Breweries, A Partnership.

The opponent, John Labatt Limited, filed a statement of opposition on July 18, 1986, a copy of which was forwarded to the applicant on August 15, 1986. The statement of opposition reads, in part, as follows:

1.The facts and grounds of opposition are as follows:
 - (a) Applicant seeks to register the trade-mark EXPORT for use in association with brewed alcoholic beverages.
 - (b) EXPORT is either clearly descriptive or deceptively misdescriptive of the character or quality of brewed alcoholic beverages.
 - (c) EXPORT is a word in respect of which no brewer can assert a monopoly because of its descriptive nature.
 - (d) EXPORT is a non-distinctive term.
 - (e) EXPORT is a word that is commonly used in association with beer by persons other than the applicant.
2. Having regard to all of the foregoing, applicant's application should be rejected on the basis that the trade mark that is the subject matter thereof is not distinctive.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of Holly Huard and James Johnston. Mr. Johnston was cross-examined on his affidavit and the transcript of that cross-examination forms part of the record of the present proceeding. As its evidence, the applicant filed the affidavit of David J. Pye. Both parties filed a written argument and an oral hearing was conducted on September 7, 1995 at which both parties were represented.

During the course of this opposition, the applicant claimed that, even if its trade-mark is found to offend Section 12(1)(b) of the Act, it is nevertheless registrable in view of the provisions of Section 12(2) of the Act. The history of that claim is detailed below.

- May 30, 1988 The applicant claims the benefit of Section 12(2) of the Act.
- June 30, 1988 I called for evidence from the applicant pursuant to Section 32(1) of the Act.
- November 29, 1989 The applicant filed a second affidavit of David J. Pye in support of its Section 12(2) claim. The second Pye affidavit is essentially identical to the Pye affidavit filed as the applicant's opposition evidence.
- February 28, 1989 The applicant filed an affidavit of Harold J. Moran in support of its Section 12(2) claim.
- March 10, 1989 I informed the applicant that its Section 12(2) claim would be assessed by the Examination Branch of the Trade-marks Office.
- May 3, 1989 The Examiner informed the applicant that any registration to issue from the present application would be restricted to Ontario and Quebec.
- May 31, 1989 I indicated that my March 10, 1989 letter was in error and that the applicant's Section 12(2) claim and supporting evidence would be considered at the decision stage.
- August 24 and September 17, 1989 The opponent objected that it was not served with a copy of the evidence filed by the applicant in support of its Section 12(2) claim.
- October 15, 1990 I ruled that the applicant was not required to serve a copy of its Section 12(2) evidence on the opponent.
- May 22, 1991
ruled In view of a legal opinion received from the Department of Justice, I that my October 15, 1990 ruling was in error and that the applicant would have to request leave under Rule 46(1) of the Trade-marks Regulations if it wanted to rely on its Section 12(2) evidence.
- September 25, 1991 The applicant applied to the Federal Court for an order to quash my decision of May 22, 1991 and to prohibit a reconsideration of the applicant's Section 12(2) claim.
- February 4, 1992 Mr. Justice Strayer dismissed the applicant's application.
- April 29, 1992 The applicant sought leave pursuant to Rule 46(1) to file the Moran affidavit.
- June 10, 1992 The opponent was given an opportunity to raise objections to the applicant's Rule 46(1) request.
- August 28, 1992 I advised the applicant that its Rule 46(1) request was incomplete since written arguments had already been called for pursuant to Rule 48. Consequently, the applicant was required to undertake to make Mr. Moran available for cross-examination.
- September 24, 1992 The applicant indicated that if the opponent wished to cross-examine Mr.

Moran, it would file a substitute affidavit.

October 16, 1992

The opponent was given an opportunity to comment.

October 26, 1992

The opponent indicated that it first wanted to see the substitute affidavit.

November 20, 1992

I notified the applicant that its Rule 46(1) request was still incomplete and I returned the Moran affidavit.

January 28, 1993

The applicant resubmitted the Moran affidavit and stated that it must remain on file in support of its Section 12(2) claim. It also stated that it would file a replacement affidavit.

February 19, 1993

I informed the applicant that the Moran affidavit cannot be considered unless the applicant undertakes to make Mr. Moran available for cross-examination. I returned the Moran affidavit to the applicant again.

February 24, 1993

The applicant objected to the return of the Moran affidavit.

The net effect of this tortuous history is that the affidavit of Harold J. Moran does not form part of the evidence in this proceeding.

At the commencement of the oral hearing, the applicant's agent requested that the applicant's written argument be removed from the Trade-marks Office file and returned to the applicant. He submitted that the Opposition Board had returned written arguments in other cases and that there was nothing precluding such a request in this case. However, to my knowledge, the only situation in which a written argument would be returned to a party is prior to a copy having been forwarded to the other party pursuant to Rule 48(3) of the Trade-marks Regulations. In other words, the only time a written argument would be returned to a party is prior to it becoming part of the public record. As submitted by the opponent's agent, once written arguments have been exchanged and are part of the public record, it could be prejudicial to a party to remove the other party's written arguments since reliance may have been placed on admissions against interest. I therefore ruled that the applicant's written argument would remain on the Trade-marks Office file as part of the opposition record.

At the commencement of the oral hearing, the agent for the applicant also requested that the affidavit of Harold J. Moran be placed on the Office file but not as part of the opposition evidence. He submitted that the Moran affidavit was filed on February 28, 1989 pursuant to my June 30, 1988 call for evidence to support the applicant's claim to the benefit

of Section 12(2) of the Act and that I had no authority to return the Moran affidavit to the applicant (which I did on February 19, 1993). He relied on the opposition decision in Mr. Frostee Inc. v. UL Canada Inc. (1994), 59 C.P.R.(3d) 393 where evidence filed in support of an application to register a distinguishing guise during the initial examination of the application remained on the Office file notwithstanding that the applicant did not rely on that evidence during the subsequent opposition to its application. That case, however, is distinguishable from the present situation. In the Mr. Frostee case, the evidence was properly filed in response to the Examiner's call for evidence pursuant to Sections 13 and 32(1) of the Act. It was therefore properly part of the file record although it was not part of the opposition evidence. In the present case, my June 30, 1988 call for evidence from the applicant to support its Section 12(2) claim was in error and therefore the evidence submitted pursuant to that request was not properly part of the record. I therefore indicated that my February 19, 1993 ruling to return the Moran affidavit was not in error and I refused the applicant's request to resubmit that affidavit.

During the oral hearing, the applicant's agent submitted that a careful review of the statement of opposition reveals that the opponent only raised one ground of opposition, namely that the applied for trade-mark is not distinctive of the applicant's wares. It was his contention that the opponent did not raise a ground of non-registrability pursuant to Section 12(1)(b) of the Act because the statement of opposition did not specifically refer to non-registrability or to Section 38(2)(b) of the Act. He submitted that paragraph 1.(b) of the statement of opposition is merely a supporting allegation of fact and not a proper ground.

Although I would agree that the wording of the statement of opposition is somewhat obscure, it is readily apparent that the applicant understood the wording appearing in paragraph 1.(b) of the statement of opposition to have raised a ground of non-registrability pursuant to Sections 12(1)(b) and 38(2)(b) of the Act. For example, paragraph 1.(b) of the applicant's counter statement reads as follows:

**Registration of the trade mark claimed in the application
is not prohibited under the provisions of Section 12.**

More importantly, paragraphs 63 to 71 of the applicant's written argument specifically deal with the registrability of its mark and whether or not it is clearly descriptive or deceptively misdescriptive of the character or quality of the applied for wares. I therefore consider that there are two grounds of opposition in this case, namely that the applicant's mark is not registrable pursuant to Section 12(1)(b) of the Act and the mark is not distinctive.

As for the opponent's first ground of opposition, the material time for considering the circumstances respecting the issue arising pursuant to Section 12(1)(b) of the Act is the date of my decision: see the decision in Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers (1992), 41 C.P.R.(3d) 243 (F.C.A.). Furthermore, the issue is to be determined from the point of view of an everyday user of the wares and services. Finally, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression: see Wool Bureau of Canada Ltd. v. Registrar of Trade Marks (1978), 40 C.P.R.(2d) 25 at 27-28 and Atlantic Promotions Inc. v. Registrar of Trade Marks (1984), 2 C.P.R.(3d) 183 at 186.

The following comments from the decision in Molson Companies Ltd. v. Scottish & Newcastle Breweries Ltd. (1985), 4 C.P.R. (3d) 124 at page 131 (T.M.O.B.) are noteworthy in the present case:

Indeed, I would note that s-s. 4(3) of the Trade Marks Act clearly contemplates use of a trade mark when the mark is applied to wares or packages in which the wares are contained in Canada when the wares are exported from Canada. As such, the term "export" would apply to any wares and is common to trade in general. Further, the term "export mark" has been accepted as having a known meaning in association with a trade mark which identifies goods destined for export as noted by Fox in The Canadian Law of Trade Marks and Unfair Competition, 3rd. ed. (1972), at p. 46. Also, in Webster's Third New International Dictionary, the word "export" includes as one of its definitions "suitable or designed for exportation" and, as such, the word "export" as a trade mark or as a component of a trade mark would designate the kind and possibly the destination of the wares in terms of the product being intended for a market outside of Canada. Further, the Oxford English Dictionary includes the following definition for the word "export": "b. attrib. or quasi-adj. Designating an article of a quality suitable for exporting, usually of a better quality than that made for home consumption. Also ellipt., beer of export quality; a glass of this beer."

The foregoing is, in my view, sufficient to meet the opponent's evidential burden respecting its first ground.

The two affidavits filed by the opponent are not particularly significant but they do serve to reinforce the position that the applicant's mark is clearly descriptive or deceptively misdescriptive of the character or quality of brewed alcoholic beverages. The Huard affidavit evidences a handful of third party trade-mark registrations for brewed alcoholic beverages for trade-marks including the word EXPORT where that word has been disclaimed. The Johnston affidavit comprises some evidence of sales of beer bearing third party trade-marks including the word EXPORT although the cross-examination of Mr. Johnston revealed that he had little first hand knowledge of such sales or the manner in which the third party marks had been used.

The applicant's evidence consists of the affidavit of David J. Pye, a research methodologist whose company designed and conducted a survey to determine the reaction of consumers to the applicant's mark EXPORT used in association with beer. It is the applicant's contention that the survey results evidenced by the Pye affidavit show that the average consumer's reaction to the word EXPORT used with beer is that it is a trade-mark of the applicant. However, the survey was restricted to several locations in Ontario and therefore the results cannot necessarily be extrapolated to the rest of Canada. Thus, the applicant's evidence would be insufficient, in any event, to show that its mark is not clearly descriptive or deceptively misdescriptive of the character or quality of the applicant's wares throughout Canada. Thus, the first ground of opposition is successful.

The applicant contended that the fact that the Pye survey was restricted to Ontario is immaterial since the Registrar has already decided (by the Office letter dated May 3, 1989) that any registration to issue from this application will be restricted to Ontario and Quebec and any evidence of use of third party EXPORT marks is, for the most part, from other provinces. However, as noted in my letter of May 31, 1989, the application should not have been forwarded to the Examination Section and the May 3, 1989 letter should be ignored.

Thus, the May 3, 1989 decision to restrict any registration to issue from this application to Ontario and Quebec is a nullity.

At the oral hearing, the applicant's agent indicated that he would not be referring to Section 12(2) of the Act. However, the applicant's written argument does contain argument in support of the position that the applicant has supported its claim to the benefit of Section 12(2). Given that the applicant's claim is still of record, I consider that the applicant's evidence should be assessed to determine if it meets the standard required by Section 12(2). In other words, even though the first ground of opposition is successful, does the Pye affidavit establish that the applicant's mark had become distinctive as of the applicant's filing date?

As noted, the applicant's survey was only conducted in Ontario. Furthermore, that survey fails to meet the heavy onus imposed on the applicant by Section 12(2) of the Act: see Molson Companies Ltd. v. Carling Breweries Ltd. (1988), 19 C.P.R.(3d) 129 at 130 (F.C.A.). The Chairman of the Trade Marks Opposition Board recently had occasion to review an affidavit of Mr. Pye in Molson Companies Ltd. v. Swan Brewery Co. Ltd. (1994), 58 C.P.R.(3d) 303 which appears to have been very similar to Mr. Pye's affidavit in this proceeding. Mr. Partington found that the survey results introduced by the Pye affidavit in the Swan Brewery case were admissible but he went on to state at page 310 of the reported decision as follows:

In paragraph 14 of his affidavit, Pye expresses his opinion that he is satisfied that his report containing his findings and analysis [Exhibit 2 to his affidavit] is statistically correct and accurate. However, while the findings at pages 7 to 9 of Exhibit 2 may be accurate, I have concluded that there are ambiguities in the possible interpretation of these findings, thus affecting the reliability of the results of the survey. In particular, in identifying the results under the first heading in the findings as "TYPE OF BEER", the applicant submitted that this refers to a "kind of beer", such as ale, bock, lager, pilsner or porter, whereas the opponent submitted that it was another way of referring to a "brand of beer". As both of these interpretations of the result are valid, the result obtained must be considered as being ambiguous. I also agree with the applicant's submission that the result under the heading "REFERENCES TO MOLSON", which indicated that the first impressions of 22.5% of respondents was by reference to MOLSONS, is unclear as to whether the respondents are identifying EXPORT as a trade-mark separate and apart from the house mark Molson or

Molson's. As well, I do not understand the significance of "Export Ale" as a result under the heading of "REFERENCES TO OTHER BRANDS". Having regard to these ambiguities in the findings and the above-noted deficiencies discussed in the Birra Peroni opposition, I have concluded that little weight can be accorded the Pye affidavit in this proceeding.

I find Mr. Partington's comments to be equally applicable to the Pye affidavit filed in this opposition. Thus, I find that the applicant has failed to meet the evidential burden on it respecting its claim to registrability pursuant to Section 12(2) of the Act. If I am wrong in this conclusion, it should be noted that the most that the Pye affidavit can establish is that the applicant's mark had become distinctive in Ontario and that any registration to issue from this application would have to be restricted to that province pursuant to Section 32(2) of the Act.

As for the second ground of opposition, the onus or legal burden is on the applicant to show that its 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.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - July 18, 1986): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

In view of my findings respecting the first ground of opposition, it also follows that the trade-mark EXPORT was clearly descriptive or deceptively misdescriptive of the character or quality of beer as of the filing of the present opposition. There is also some minor evidence of sales of beer bearing third party trade-marks incorporating the word EXPORT in areas of Canada other than Ontario (see the Johnston affidavit). Thus, even if the Pye affidavit is found to establish that the applicant's mark EXPORT has acquired distinctiveness in Ontario, the applicant has failed to show that its trade-mark is adapted to distinguish or actually distinguishes its beer from those of others throughout the rest of the country. Thus, the second ground is also successful.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 22nd DAY OF NOVEMBER, 1995.

**David J. Martin,
Member,
Trade Marks Opposition Board.**