



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

Citation: 2012 TMOB 44
Date of Decision: 2012-03-07

**IN THE MATTER OF AN OPPOSITION
by Vincor International Inc. to
application No. 1,404,426 for the trade-
mark THREE OLIVES NAKED in the
name of Proximo Spirits, Inc., a
corporation organized and existing under
the laws of the State of Delaware**

[1] On July 23, 2008, Proximo Spirits, Inc., a corporation organized and existing under the laws of the State of Delaware (the Applicant), filed an application for the trade-mark THREE OLIVES NAKED (the Mark) based upon proposed use of the Mark in Canada. The statement of wares currently reads: alcoholic beverages namely, vodka; premixed alcoholic cocktails.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of September 2, 2009.

[3] On November 27, 2009, Vincor International Inc. (the Opponent) filed a statement of opposition against the application. The grounds of opposition are that the Applicant's application does not conform to the requirements of s. 30(e) and 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the Mark is not registrable pursuant to s. 12(1)(d), the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a), the Applicant is not the person entitled to registration of the Mark pursuant to s.16(3)(b) and the Mark is not distinctive. With the exception of the s. 30(e) ground, each of the grounds is based on confusion with the Opponent's use and registration of its NAKED GRAPE and NAKED GRAPE & Design trade-marks (registration Nos. TMA659,543 and TMA720,829).

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

[5] The Opponent's evidence consists of the affidavit of Scott Starra. Mr. Starra was not cross-examined. The Applicant elected not to file any evidence.

[6] Both the Applicant and the Opponent filed a written argument. An oral hearing was conducted at which the Opponent was ably represented.

Onus and Material Dates

[7] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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 Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

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

- s. 30 - the filing date of the application [see *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 [see *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 filing date of the application [see s. 16(3)];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

Section 30 Grounds of Opposition

[9] At the oral hearing, the Opponent withdrew its s. 30(e) ground of opposition. This ground will therefore not be considered.

[10] Regarding the s. 30(i) ground, I note that the Applicant has made the requisite statement and there is no evidence that it did so in bad faith [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. I am therefore dismissing this ground of opposition.

Section 12(1)(d) Ground of Opposition

[11] The s. 12(1)(d) ground of opposition turns on the issue of the likelihood of confusion between the Mark and each of the Opponent's marks.

[12] I note that the Opponent's initial burden with respect to the s.12(1)(d) ground has been satisfied because registration Nos. TMA659,543 and TMA720,829 are in good standing. Both marks are registered in association with wines, and the NAKED GRAPE word mark is also registered in association with wine spritzers and ice wines.

test for confusion

[13] 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, namely: 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 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 or trade-names 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.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.).]

[14] In *Masterpiece*, the Supreme Court of Canada stated that the degree of resemblance between the marks is often likely to have the greatest effect on the confusion analysis [see also *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at 149, affirmed 60 C.P.R. (2d) 70] and it chose to begin its confusion analysis by considering that factor. While the Supreme Court observed that for the purpose of distinctiveness, the first word of a trade-mark may be the most important [see *Conde Nast Publications Inc. v. Union des éditions modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)], it opined 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.

[15] In order to assess whether an aspect of a mark is particularly striking or unique, it seems appropriate to consider the inherent distinctiveness of the marks' components. While both parties' marks are inherently distinctive, I consider the Mark to possess a slightly higher degree of inherent distinctiveness than the Opponent's marks because it is a unique linguistic construction and I do not consider the words THREE OLIVES NAKED to be suggestive of vodka or pre-mixed alcoholic cocktails the way the word GRAPE is in association with wine, even though olives are traditionally used as garnishes for martinis. Having said that, I do find the word "naked" to be the most striking or unique component of both parties' marks. I also find the ideas suggested by the marks to be similar in that both parties' marks suggest a fruit that is bare. I conclude that, although there are differences between the parties' marks in appearance and sound, the degree of resemblance between the marks as a whole is nevertheless significant.

[16] With respect to the extent to which each trade-mark has become known, the evidence of the Opponent's affiant, Mr. Starra, provides the following information:

- between 2006 and 2010, sales of wine bearing the NAKED GRAPE marks have amounted to over \$74 million in net wholesale sales;

- since 2005, the Opponent's NAKED GRAPE wines have been made available at liquor stores throughout Canada, other than in Quebec, Yukon and Nunavut; they are also available at Wine Rack stores in Ontario;
- between 2006 and 2010, the Opponent has spent in excess of \$6.6 million in advertising and promoting NAKED GRAPE products in Canada;
- advertising and media campaigns for the Opponent's NAKED GRAPE wines include television commercials, radio chatter and interviews, online promotions, magazine promotions, point of sale promotional materials;
- the Opponent also promotes its product by way of printed materials for and distributed at retail locations where the product is sold, such as the LCBO.

[17] Based on the foregoing information, I conclude that the Opponent's marks have become quite well known across Canada. As there is no evidence that the Mark has been used or promoted in Canada, this factor favours the Opponent. The length of time that each mark has been in use also favours the Opponent.

[18] I will now address the nature of the wares and their channels of trade.

[19] It is the Applicant's statement of wares as defined in its application versus the Opponent's registered wares that govern my determination of this factor [see *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *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.)].

[20] The Applicant's "alcoholic beverages namely, vodka; premixed alcoholic cocktails" are not the same as wines, wine spritzers and ice wines. However, the wares of both parties are alcoholic beverages and are therefore products of one industry: see *Champagne Mœt &*

Chandon v. Chatam International Inc. (2001), 12 C.P.R. (4th) 549 (T.M.O.B.) at 554-558, which reviews jurisprudence confirming that different alcoholic products are part of one industry.

[21] With respect to the parties' channels of trade, the Opponent's evidence shows that the Opponent's wares have been sold at liquor stores throughout Canada (but excluding Quebec, Yukon and Nunavut), and Wine Rack stores across Ontario. I think it is fair to assume that there would likely be some overlap in the channels of trade for the parties' wares.

[22] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees THREE OLIVES NAKED on the Applicant's vodka and cocktails at a time when he or she has no more than an imperfect recollection of the Opponent's NAKED GRAPE trade-marks, and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot Ponsardin Maison Fondée en 1772 v. Boutiques Cliquot Ltée.* (2006), 49 C.P.R. (4th) 401, [2006] 1 S.C.R. 824, at paragraph 20].

[23] The legal onus is on the Applicant to show that its Mark is not reasonably likely to cause confusion with the Opponent's marks. This means that the Applicant must prove that the absence of confusion is more probable than its existence. In the present case, the Applicant has filed a proposed use application for a trade-mark that incorporates the most distinctive element of the Opponent's two registered trade-marks in its entirety for wares similar to those of the registered marks and the Applicant has not filed any evidence. Having considered all of the surrounding circumstances, I conclude that the Applicant has not met its burden. In reaching this conclusion, I have had special regard to the following facts: 1) the Applicant has incorporated the most distinctive part of the Opponent's mark; 2) the Opponent's extensive reputation of its NAKED GRAPE marks; 3) both parties' marks are for use in association with alcoholic beverages; and 4) the fact that there is no evidence of anyone other than the Opponent using the word NAKED in association with alcoholic beverages in Canada. I am therefore unable to conclude that, on a balance of probabilities, a consumer who has a general and not precise recollection of the Opponent's marks will, upon seeing the Applicant's Mark, not be likely to think that the wares share a common source or that the Applicant's wares are in some way associated with the Opponent's wares.

[24] The s. 12(1)(d) ground of opposition therefore succeeds.

Remaining Grounds of Opposition

[25] The remaining grounds of opposition also turn on a determination of the issue of the likelihood of confusion between the Mark and the Opponent's marks. In my view, the differences in material dates do not have any significant impact on the determination of the issue of confusion between the trade-marks of the parties. Thus, my findings above that the Applicant has not shown the absence of a reasonable likelihood of confusion between the marks, apply to these grounds of opposition which also succeed.

Disposition

[26] 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.

Cindy R. Folz
Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office