

**IN THE MATTER OF AN OPPOSITION by
Molson Breweries to application No. 816,469
for the trade-mark IMPERIAL STOUT & Design
filed by Samuel Smith Old Brewery (Tadcaster)**

On June 27, 1996, Samuel Smith Old Brewery (Tadcaster) filed an application to register the trade-mark IMPERIAL STOUT & Design based upon use of the trade-mark in Canada in association with “beer; stout” since at least as early as June 1989. The trade-mark is shown below:



During prosecution, the applicant disclaimed the right to the exclusive use of “stout”, “brewery”, “1758”, and “imperial” apart from the trade-mark and excluded Newfoundland from the scope of its application.


The application was advertised for opposition purposes in the Trade-marks Journal of May 20, 1998. On August 31, 1998, the opponent, Molson Breweries, a Partnership, filed a


statement of opposition. The applicant filed and served a counter statement.

As its rule 41 evidence, the opponent filed the affidavit of Hui Ming Zheng. The applicant filed the affidavits of Julie Gauvreau, Marylene Gendron and Clive Graham Auton as its rule 42 evidence. The opponent cross-examined each of the applicant’s affiants but did not file the transcripts of cross-examination. The applicant therefore obtained leave for the purpose of filing the transcripts and the related answers to undertakings. These materials were filed on October 19, 2001.

Each party filed a written argument and was represented at an oral hearing.

In its statement of opposition, the opponent claims ownership of the following three trade-marks.

<u>Trade-mark</u>	<u>Regn. No. and Date</u>	<u>Wares</u>
	<p>TMA188,413 Regd. Feb. 9, 1973</p>	<p>Brewed alcoholic beverages</p>
<p>MOLSON IMPERIAL</p>	<p>TMA223,753 Regd. Oct. 21, 1977</p>	<p>Brewed alcoholic beverages</p>

	<p>TMA223,754 Regd. Oct. 21, 1977</p>	<p>Brewed alcoholic beverages</p>
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It relies on these trade-marks in support of grounds of opposition pleaded under paragraphs 38(2)(a), (b), (c) and (d) of the *Trade-marks Act*. With respect to its paragraph 38(2)(d) ground of opposition, the opponent pleads that it has used a family of trade-marks in Canada, all of which prominently include the trade-mark and word IMPERIAL, and that the trade-mark IMPERIAL is distinctive of the opponent and therefore the mark applied for cannot be distinctive of the applicant as consumers would believe that any beer bearing a trade-mark including the word “IMPERIAL” would be another product of the opponent.

Although the applicant bears the legal burden to establish that its application complies with the requirements of the *Trade-marks Act*, there is an initial evidential burden on the opponent in respect of each of the grounds of opposition. To meet the evidential burden on it in relation to a particular issue, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Opponent's Evidence

Hui Ming Zheng, a student-at-law, simply files copies of the opponent's three trade-mark registrations. I take this opportunity to note that the mere filing of a copy of a registration will not support the opponent's evidential burden with respect to grounds of opposition based on allegations of non-entitlement or non-distinctiveness [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1991), 40 C.P.R. (3d) 427 (T.M.O.B.)].

Applicant's Evidence

Ms. Gendron, a trade-mark searcher, conducted searches of the Canadian, U.S. and certain European trade-mark registers. The number of marks that she located is insufficient to make any meaningful conclusions about the marketplace [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432, *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.), *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

At the oral hearing the applicant's agent asked that I exercise the Registrar's discretion to check the Trade-marks Register to determine the current status of an application located in Ms. Gendron's search. I declined. The applicant ought to have requested leave to file evidence of that application's current status if it wished it to be considered in these proceedings. [see *Quaker Oats Co. of Canada Ltd. v. Menu Foods Ltd.* (1986), 11 C.P.R. (3d) 410 (T.M.O.B.)]

Mr. Auton, the applicant's marketing/export manager, states that the products that bear the applicant's IMPERIAL STOUT & Design trade-mark are beer. He provides the labels and packaging used for such beer as sold in Canada. The beer is brewed in the United Kingdom

and then sold in Canada primarily through restaurants and bars, although individuals may also specifically order it through the provincial Liquor Control Boards. Mr. Auton states that the mark has been in continuous use in Canada since June 1989 but the sales figures that he provides indicate that there were no sales in 1991, 1992 and 1995. Although Mr. Auton states that the products would have nevertheless been on sale during these years as a result of purchase orders in previous years (*i.e.* there would still be some being sold in the normal chain, such as through restaurants), he admitted on cross-examination that he did not confirm that this was in fact true and that he was simply making an assumption.

Annual Canadian sales of IMPERIAL STOUT & Design beer have not been great, with sales varying from \$1023 U.S. to \$5944 U.S., which would equal approximately 60 to 300 cases (24 x 335 ml. bottles per case). The applicant does not advertise its beer in Canada.

Mr. Auton states, “the term ‘imperial stout’ is a style of beer, it’s a generic title, there are numerous imperial stouts and nobody has the sole right to have the ‘imperial stout’.” [Auton cross-examination, page 53]

Ms. Gauvreau, a lawyer, provides the results of various searches she conducted on the Internet directed to the expression “imperial stout”. The web sites show use of “imperial stout” as a generic term or as part of third party brand names. Although the opponent attacked this evidence on the basis that the web sites have not been shown to originate in Canada and there is no evidence of the number of Canadians who have viewed these web sites, I have still accorded this evidence some weight.

Ms. Gauvreau has also provided dictionary definitions which show, *inter alia*, that “stout” is a type of beer.

Paragraph 38(2)(a) Grounds of Opposition

The opponent has pleaded that the application does not comply with section 30 in two ways. First, it pleads that the applicant could not have been satisfied that it was entitled to use or register its mark in view of the opponent’s rights. However, as the opponent has not pleaded that the applicant was aware of the opponent’s alleged rights at the time that it filed its application, there is no basis on which to conclude that the applicant could not have been so satisfied. This arm of the section 30 pleadings therefore fails.

Second, the opponent pleads, “the applicant did not use the trade-mark as alleged in the application or at all.” To the extent that the opponent relies on allegations of fact in support of its section 30 ground, there is an evidential burden on the opponent to prove those allegations [see *Joseph E. Seagram & Sons Ltd. et al. v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325 at 329-330]. That burden is lighter respecting the issue of non-conformance with subsection 30(b) of the Act [see *Tune Masters v. Mr. P’s Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.) at 89] and the opponent’s evidential burden can be met by reference to the applicant’s own evidence [see *Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.) at 230]. It is to be noted that subsection 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date

claimed [see *Labatt Brewing Co. v. Benson & Hedges (Canada) Ltd.* (1996), 67 C.P.R. (3d) 258 (F.C.T.D.) at 262].

The material date with respect to the paragraph 38(2)(a) ground of opposition is the filing date of the application, June 27, 1996 [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 at 475]. Therefore the question is whether the applicant began using its mark in Canada as early as June 1989 and whether use of its mark in Canada was continuous in the normal course of trade up to June 27, 1996.

From Mr. Auton's evidence, I conclude that the applicant's normal course of trade with respect to Canada was to await the receipt of special orders procured either by its Canadian agents or individuals and to fill such orders with beer, which was at all times available from its British brewery. It would appear that the type of beer sold in association with the applied for trade-mark is a specialty beer with limited market. As a result, the applicant did not make it generally available to the public by selling it from store shelves but rather by special order. Given the relatively small quantity of IMPERIAL STOUT & Design beer sold each year in Canada, it is not particularly surprising that there may have been some years when no orders were received at all. It seems to me that the pattern of sales falls within the evidenced normal course of trade. For these reasons, I conclude that the applicant has satisfied its burden to show continuous use of its mark in Canada in the normal course of trade prior to the filing of its application. Regarding the date of first use claimed, there is no evidence that leads me to suspect the veracity of the claimed date.

The paragraph 38(2)(a) grounds of opposition therefore all fail.

Paragraph 38(2)(b) Grounds of Opposition

The material date for determining the likelihood of confusion with respect to the paragraph 38(2)(b) grounds of opposition (registrability under paragraph 12(1)(d)) is the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)]. There is a legal burden on the applicant to establish that, on a balance of probabilities, there would be no reasonable likelihood of confusion between the marks in issue. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant. [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in subsection 6(5) of the *Act*. Those factors specifically set out in subsection 6(5) are: the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. The weight to be given to each factor may vary, depending on the circumstances [see *Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483

(F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

Both the applicant's mark and each of the opponent's three marks have some degree of inherent distinctiveness.

The applicant has evidenced limited use of its trade-mark. Nevertheless, given that the opponent has not evidenced any use or reputation with respect to any of its trade-marks, a consideration of the extent to which each mark has become known favours the applicant.

According to the opponent's registrations, use of its marks began in Canada quite some time prior to the opponent's first use of its mark. However, there is no evidence that the opponent's use has continued.

The parties' wares are the same and presumably they would travel the same channels of trade e.g. restaurants and bars.

When considered in their totalities, the marks differ in appearance, sound and idea. Given that "imperial stout" is a type of beer, the applicant's mark would be understood to refer to an imperial stout that comes from Samuel Smith. If a purchaser was not familiar with this type of beer, then he/she might instead react to "imperial" as a descriptive or laudatory term, given that one definition of "imperial" is "of superior or unusual size or excellence" [*Webster's Ninth New Collegiate Dictionary*].

The first component of a mark is often considered more important for the purpose of distinction [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.); *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.); *Phantom Industries Inc. v. Sara Lee Corp.* (2000), 8 C.P.R. (4th) 109 (T.M.O.B.)] and the first portions of each of the marks in contention are significantly different: SAMUEL SMITH'S versus BOH and MOLSON.

As a further surrounding circumstance, I have taken into account that “imperial stout” is a type of beer [see Mr. Auton’s uncontested evidence and Ms. Gauvreau’s corroborating evidence].

The alleged surrounding circumstance of the opponent’s “family” of trade-marks is not a consideration as the opponent has not proven use of any of its marks. [see *McDonald's Corp. v. Alberto-Culver Co.* (1995), 61 C.P.R. (3d) 382 (T.M.O.B.); *Techniquip Ltd. v. Canadian Olympic Association*, 80 C.P.R. (3d) 225 (F.C.T.D.), affirmed 3 C.P.R. (4th) 298 (F.C.A.)]

Having considered all of the surrounding circumstances, I am satisfied that, on a balance of probabilities, there is not a reasonable likelihood of confusion between the applicant’s IMPERIAL STOUT & Design trade-mark and any one of the opponent’s three registered trade-marks. I reach this conclusion primarily because the applicant’s mark has a component that serves to distinguish it from each of the opponent’s marks, there is no evidence that the

opponent's marks have any reputation attached to them and there is evidence that the common features of the marks are in fact a term in the beer industry.

In summary, the applicant has satisfied the burden on it with respect to each of the paragraph 12(1)(d) grounds of opposition and these grounds are accordingly rejected.

Paragraph 38(2)(c) Grounds of Opposition

With respect to these grounds of opposition, there is an initial burden on the opponent to evidence use of its trade-marks prior to the applicant's date of first use. As the opponent has not satisfied this burden with respect to any of its marks [see *Entre Computer Centers, supra*], these grounds of opposition are dismissed.

Paragraph 38(2)(d) Ground of Opposition

The legal onus is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from the wares of others throughout Canada [*Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (TMOB)]. However, there is an evidential burden on the opponent to prove the allegations of fact supporting its ground of non-distinctiveness. In the present case, the opponent must show that one or more of its trade-marks had acquired some reputation as of August 31, 1998 [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.)]. As the opponent has not done so, this ground of opposition is dismissed.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, pursuant to the provisions of subsection 38(8) of the *Act*, I reject the opposition.

DATED AT TORONTO, ONTARIO THIS 6th DAY OF MAY, 2004.

**Jill W. Bradbury
Member
Trade-marks Opposition Board**