



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

Citation: 2014 TMOB 228
Date of Decision: 2014-10-20

**IN THE MATTER OF AN OPPOSITION
by The European Union, represented by
the European Commission, to application
No. 1,519,146 for the trade-mark AOP in
the name of AOP LLC**

[1] The European Union, represented by the European Commission, opposes registration of the trade-mark AOP applied for registration, under serial No. 1,519,146, in association with “wines; alcoholic fruit drinks” based on use in Canada since March 12, 2008.

[2] For the reasons that follow, I find that the application ought to be refused.

The Record

[3] The application was filed by Julia Wine Inc. on March 15, 2011. It now stands in the name of AOP LLC further to an assignment, which is of no consequence in this proceeding. Thus, the term “Applicant” used throughout my decision refers to the owner of the trade-mark AOP (the Mark) at the relevant time.

[4] The statement of opposition was originally filed on March 19, 2012 in the name of the European Community, represented by the European Commission.

[5] On April 25, 2012, the Applicant filed a counter statement essentially denying each and every ground of opposition. At the same time, the Applicant requested an interlocutory ruling regarding certain alleged deficiencies in the pleadings. Further to the Applicant’s request, an

amended statement of opposition was filed on May 22, 2012. On September 24, 2012, the Registrar granted leave to file the amended statement of opposition and ruled that the pleadings were sufficient.

[6] By ruling of November 9, 2012, the Registrar amended the record to reflect “the change of name of the originally-named opponent ‘The European *Community*, represented by the European Commission’ to ‘The European *Union*, represented by the European Commission’” (my emphasis). This amendment was made at the request of the European Union (the Opponent), represented by the European Commission, and after consideration of the Applicant’s submissions objecting to the Opponent’s request. I will return to this ruling under my preliminary observations.

[7] The grounds of opposition brought under section 38 of the *Trade-marks Act*, RCS 1985, c T-13 (the Act) are detailed in Schedule “A”. They are premised on allegations that:

- (i) the wares “wines; alcoholic fruit drinks” (the Wares) have not been defined specifically in ordinary commercial terms;
- (ii) the Mark has not been used in Canada since the date claimed;
- (iii) the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Wares as:
 - the Applicant was clearly aware of the Opponent’s “Appellation d’Origine Protégée” system for wines; and
 - the use of the Mark contravened federal statutes;
- (iv) the Mark has by ordinary and *bona fide* commercial usage become recognized in Canada as a mark of the Opponent designating the quality of wines;
- (v) the Mark is deceptively misdescriptive of the character or quality of the Wares or of the conditions of or the persons employed in their production or of their place of origin;

- (vi) the Applicant is not the person entitled to registration of the Mark in view of confusion with the Opponent's use and making known of the trade-mark AOP in association with a geographical indication regime; and
- (vii) the Mark is not distinctive in view of the Opponent's reputation in and to the "AOP" and "Appellation d'Origine Protégée" designations in association with wines.

[8] The Opponent filed the following affidavits as its evidence in chief under section 41 of the *Trade-marks Regulations*, SOR 96/195 (the Regulations):

- an affidavit of Giancarlo Caratti di Lanzacco, sworn September 6, 2012, together with Exhibits A to O. The affiant is the Head of the Unit Intellectual Property and Technology Transfer of the Joint Research Centre of the European Commission;
- an affidavit of Les Vass, sworn August 22, 2012, with its Exhibits LV-1 to LV-40. The affiant is a private investigator, President and owner of Fourteen-Forty, a private investigation and security consulting agency;
- an affidavit of Rick Leswick, sworn August 22, 2012, with its Exhibits RL-1 and RL-2. The affiant is a private investigator with Fourteen-Forty;
- an affidavit of Bryan Millman, sworn August 22, 2012, with its Exhibits BM-1 to BM-4. The affiant is an articling student with the Opponent's trade-marks agent;
- an affidavit of Nicolas Knoppers-Turp, sworn August 22, 2012 with its Exhibits NT-1 to NT-4. The affiant is an articling student with the Opponent's trade-marks agent;
- an affidavit of Roslyn Theodore-McIntosh, sworn August 24, 2012, with its Exhibits RM-1 to RM-16. The affiant, Director of the Scott Library & Information Centre, is employed by the Opponent's trade-marks agent; and
- an affidavit of Mary P. Noonan, sworn August 10, 2012, with its Exhibits MN-1 and MN-2. The affiant is a trade-mark searcher employed by the Opponent's trade-marks agent.

[9] The Applicant's evidence under section 42 of the Regulations consists of an affidavit of Thelma Thibodeau, affirmed December 20, 2012, with its Exhibits TT-1 to TT-7. The affiant is a self-employed trade-mark investigator.

[10] As reply evidence under section 43 of the Regulations, the Opponent filed a second affidavit of Mary P. Noonan, sworn February 7, 2013, with its Exhibit 1.

[11] None of the affiants was cross-examined.

[12] Only the Opponent filed a written argument.

[13] Both parties were represented at the hearing held in this case.

Legal Onus and Evidential Burden

[14] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the amended statement of opposition. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA); and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FC)].

Preliminary Observations

[15] Before turning to the issues arising in this proceeding, I wish to make preliminary observations.

Ruling of November 9, 2012 amending the name of the originally-named opponent

[16] At the hearing, the Applicant started its submissions by reiterating the content of its letter of November 16, 2012 indicating that the Registrar should have refused to amend the record and so the Applicant continued to defend the application under reserve of its rights and remedies concerning the ruling. However, the Applicant did not request reconsideration of the ruling. Rather, it requested that this decision reflects the position taken by the Applicant.

Affidavit of Thelma Thibodeau constituting the Applicant's evidence

[17] Ms. Thibodeau introduces the following into evidence:

- pages from the website *Britannica Online Encyclopedia* concerning the topics of “Lisbon Treaty” and “international trade” [Exhibits TT-1 to TT-3];
- pages from the website of the European Union concerning the Lisbon Treaty, including a full copy of the Treaty [Exhibits TT-4 and TT-5]; and
- pages from the website *Wikipedia* and from French dictionaries for the expression “Communauté Européenne” [Exhibits TT-6 and TT-7].

[18] The Applicant did not make any submissions as to what it was trying to establish through the Thibodeau affidavit, even after I specifically invited the Applicant to do so at the hearing. Thus, I will not discuss the Applicant's evidence except to address the admissibility of the second affidavit of Ms. Noonan constituting the Opponent's reply evidence.

Affidavit of Mary P. Noonan constituting the Opponent's reply evidence

[19] Ms. Noonan files a print-out of application No. 1,604,821 for the trade-mark APPELLATION D'ORIGINE PROTÉGÉE filed by the Applicant on December 3, 2012 [Exhibit 1].

[20] I disregard the affidavit as I find that it does not qualify as reply evidence under section 43 of the Regulations. Indeed, the affidavit does not respond to issues raised in the evidence filed by the Applicant. It is of note that the Opponent acknowledged at the hearing that

the second Noonan affidavit should have been filed as further evidence under section 44 of the Regulations with leave from the Registrar.

Applicant's prior applications for registration of the trade-marks AOP and AOP APPELLATION D'ORIGINE PROTÉGÉE & Design

[21] The evidence introduced through the first Noonan affidavit includes print-outs of application Nos. 1,454,671 and 1,458,769 in the name of the Applicant for registration of the trade-marks AOP and AOP APPELLATION D'ORIGINE PROTÉGÉE & Design [Exhibit MN-1]. Each application was based on use of the trade-mark in Canada in association with “*vin autorisé à porter la mention AOP conformément à la réglementation nationale correspondant à l'origine du produit*” (TRANSLATION: a wine authorized to bear the PDO designation, in accordance with national regulation related to the origin of the product).

[22] At the time of the affidavit, each application was pending and the subject of two opposition proceedings. The first opposition brought by the co-opponents Constellation Brands Québec Inc. and Constellation Brands Canada, Inc. resulted in the refusal of the applications by the Registrar (acting through Member Annie Robitaille). This decision in *Constellation Brands Québec, Inc v AOP LLC*, 2013 TMOB 38 (CanLII) (*Constellation Brands*) was not appealed before the Federal Court; the second opposition case has been closed.

[23] I will return to the *Constellation Brand* decision under the analysis of the issue arising from the section 12(1)(b) ground of opposition.

Grounds of Opposition Summarily Dismissed

[24] The grounds of opposition alleging that the application contravenes the provisions of section 30(a) and section 30(b) of the Act are summarily dismissed for the Opponent's failure to meet its initial evidential burden.

[25] Indeed, the Opponent did not file any evidence in support of its allegation that the statement of wares of the application for the Mark contravenes the provision of section 30(a) of the Act. Further, the Opponent did not make any submissions about this ground of opposition.

[26] Likewise, the Opponent did not file any evidence in support of its allegation that the application contravenes the provisions of section 30(b) of the Act because the Mark had not been used since the date claimed in the application nor has the Mark been used continuously since that date. Further, this is clearly not a case where the Opponent can meet its evidential burden by reliance on the Applicant's own evidence.

Analysis of the Remaining Grounds of Opposition

[27] The issues arising from the remaining grounds of opposition, although not necessarily in order of pleadings, are:

1. Was the Mark deceptively misdescriptive of the character or quality of the Wares or of the conditions of or the persons employed in their production or of their place of origin at the filing date of the application?
2. Could the Applicant have been satisfied of its entitlement to use the Mark in Canada at the filing date of the application?
3. Has the Mark by ordinary and *bona fide* commercial usage become recognized in Canada as a mark of the Opponent designating the quality of wines?
4. Was the Applicant the person entitled to the registration of the Mark in Canada at the date of first used claimed in the application?
5. Was the Mark distinctive of the Applicant's Wares as of the filing date of the statement of opposition?

[28] As per the following analysis of the first and second issues, I decide each of them for the Opponent. Thus, I consider it is not necessary to analyse the three other issues to find that the application ought to be refused. In other words, as I decide for the Opponent under two of the grounds of opposition, I will not consider the three remaining grounds.

Was the Mark deceptively misdescriptive of the character or quality of the Wares or of the conditions of or the persons employed in their production or of their place of origin at the filing date of the application?

[29] This issue arises from the ground of opposition alleging that the Mark contravenes the provision of section 12(1)(b) of the Act because AOP is recognized by consumers as meaning “Appellation d’Origine Protégée” and indicating wines having qualities and characteristics which are essentially due to their specific regions of production and are produced, processed and prepared specifically within those specific regions with the Opponent’s approval and according to its established designation standards. The Applicant has not been granted the right to mark its products with the AOP designation, nor is it otherwise entitled to do so. Thus, the Mark is deceptively misdescriptive of the character or quality of the Wares or of the conditions of or the persons employed in their production or of their place of origin.

[30] The material date to assess the ground of opposition is the filing date of the application, namely March 15, 2011 [see *Fiesta Barbeques Limited v General Housewares Corporation* (2003), 28 CPR (4th) 60 (FC)].

[31] The purpose of denying the registration of a deceptively misdescriptive trade-mark is to prevent the public from being misled [see *Atlantic Promotions Inc v Registrar of Trade-marks* (1984), 2 CPR (3d) 183 (FCTD)]. To be deceptively misdescriptive, a trade-mark must first be found to be descriptive [see *Oshawa Group Ltd v Canada (Registrar of Trade Marks)* (1980), 46 CPR (2d) 145 at 148 (FCTD)]. The purpose of the prohibition in section 12(1)(b) of the Act is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [*Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD)].

[32] In deciding whether the registration of the Mark is prohibited by section 12(1)(b) of the Act, the Mark must be considered as to the immediate impression created and from the point of view of the average purchaser [see *Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD); and *Atlantic Promotions Inc, supra*]. The word “clearly” means “easy to understand, self-evident or plain”; the word “character” means a feature, trait or

characteristic belonging to the wares [see *Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34].

[33] In addition, as stated by Justice Martineau in *Neptune SA v Canada (Attorney General)* (2003), 29 CPR (4th) 497 (FCTD) at paragraph 11:

To determine whether a trade-mark falls under [the section 12(1)(b)] exclusion, the Registrar must not only consider the evidence at his disposal, but also apply his common sense in the assessment of the facts. The decision that the mark is either clearly descriptive or deceptively misdescriptive is based on his initial impression. He must consider it not in isolation but in light of the product or service in question.

[See also *Ontario Teachers' Pension Plan Board v Canada (Attorney General)* (2010), 89 CPR (4th) 301 (FC) at para 48; *aff'd* (2012), 99 CPR (4th) 213 (FCA)].

[34] I now turn to the case before me by first reverting to the *Constellation Brand* decision involving two prior applications of the Applicant, including application No. 1,454,671 for registration of the trade-mark AOP in association with “*vin autorisé à porter la mention AOP conformément à la réglementation nationale correspondant à l'origine du produit*”. In concluding that the trade-mark AOP was not registrable under section 12(1)(b) of the Act because it was deceptively misdescriptive of the place of origin of the wares Member Robitaille stated:

[TRANSLATION]

[23] [...] I believe it is not necessary to rule on the issue of knowing whether the documents submitted as Exhibits 1 and 2 [to the affidavit of the opponent's affiant] are part of Canadian domestic law or not. Pursuant to the discretionary power enjoyed by the [R]egistrar, I consulted the dictionary for clarification on the meaning of the acronym AOP and I found the following definitions in numerous examples provided under the term “appellation”:

Appellation d'origine: Designation of a product by the name of the place it was harvested or produced [translation]. *Vin d'appellation d'origine contrôlée (AOC)*. *Appellation d'origine protégée (AOP)*, protected by the European Union [translation]. - *Le Petit Robert* French language dictionary and thesaurus

Appellation d'origine: Name guaranteeing the origin of a product [translation]. – *Appellation d'origine contrôlée (AOC)*: Legal determination of certain food products (wines, cheeses), applying to a defined geographic area and guaranteeing

the characteristics and qualities of the products [translation]. – *Appellation d’origine protégée (AOP)*: European certification intended to protect the names of certain food products produced in a defined geographic area, according to specific traditional know-how [translation]. – *Le Petit Larousse Illustré*

[24] It stems from these definitions that the terms APPELLATION D’ORIGINE PROTÉGÉE and the acronym AOP correspond to dedicated terms protected by the European Union and defined as such in regular language dictionaries, closely akin to the claims of the Opponent. [...] I deem it reasonable to conclude that the AOP mark in the context of the [applicant’s] Wares will be perceived, based on the first impression of the average consumer, as referring to the notion of “appellation d’origine protégée” and describing wines which are produced in compliance with legislation applicable to the production of wines on the territory of the European Union. [...] it stems from Mr. Mounir’s affidavit [the applicant’s affiant] that the wines marketed by the [applicant] in association with the Marks come from a “vineyard supplier” located in the region of Niagara-on-the-Lake, Canada. Under the circumstances, I conclude that the AOP Mark was deceptively misdescriptive of the place of origin of the Wares on the date of submission of the application in question. As the [applicant’s] evidence does not show that such mark was used in a way to have become distinctive on the relevant date pursuant to Section 12(2) of the Act, I conclude that this is unregistrable pursuant to Section 12(1)(b) of the Act.

[35] I agree with the Opponent’s contention that Member Robitaille in *Constellation Brands* took judicial notice of the fact that the terms “AOP” and “Appellation d’Origine Protégée” are defined in ordinary dictionaries as meaning terms protected by the European Union to designate wine or other food products based on their place of origin and production according to traditional know-how.

[36] Based on my understanding of the Applicant’s submissions concerning *Constellation Brands*, I summarize them as follows:

- the dictionary definition of “Appellation d’Origine Protégée (AOP)” is insufficient to conclude that Canadian consumers are aware of the meaning of “AOP” and “Appellation d’Origine Protégée”; and
- *stare decisis* does not apply to decisions rendered by Members of the Trade-marks Opposition Board acting on behalf of the Registrar.

[37] With due respect for the Applicant, common sense tells me that the average Canadian consumer of wines is aware that many wines have quality and characteristics which are essentially or exclusively due to the geographical area where they are produced.

[38] Furthermore, while I agree with the Applicant's submissions with respect to the principle of *stare decisis*, I see no reason not to follow the principle of comity of decision making. Indeed, I am unable to find that Member Robitaille was wrong in taking judicial notice of the dictionary meanings of the terms "AOP" and "Appellation d'Origine Protégée" to conclude that AOP in association with wine would be perceived by the average consumer as describing wines which are produced in compliance with legislation applicable to the production of wines on the territory of the European Union.

[39] Also, applying common sense to the assessment of facts before me, I find that the reasoning in *Constellation Brands* is equally applicable to AOP in association with "alcoholic fruit drinks". In this regard, absent further specification, in my view this description may encompass alcoholic fruit drinks made from wine, if not wine.

[40] Accordingly, I conclude as a matter of first impression that the Mark in association with "wines; alcoholic fruit drinks", as of March 15, 2011, would have been perceived by the average consumer as describing wares which were produced in compliance with legislation applicable to the production of wines on the territory of the European Union.

[41] I wish to add that given the evidence of record, I would reach the same conclusion if I was not to apply the reasoning in *Constellation Brands*.

[42] Indeed, I agree with the Opponent that its evidence is more than sufficient to conclude that the Mark in association with the Wares, as of March 15, 2011, would have been perceived by the average Canadian consumer as describing wares that have qualities and characteristics which are essentially due to the regions in Europe in which they are produced, processed and prepared according to standards established by the Opponent.

[43] In this regard, suffice it to summarize as follows the evidence introduced through the affidavit of Mr. Caratti di Lanzacco concerning the “AOP (Appellation d’Origine Protégée)” regime [paras 3-23, Exhibits A-J]:

- over the years, the Opponent (formerly called the European Community) has adopted a comprehensive legal framework for the protection of geographical indications for agricultural products, wines, spirits and other foodstuffs marketed within the European Union and/or produced for export;
- one of the three systems put in place by the Opponent to designate the name of a product that is produced, processed and prepared in a defined geographical area using recognised know how is the “AOP (Appellation d’Origine Protégée)” system, which is known in English as the PDO (Protected Designation of Origin). This system was first created in 1998 and has been amended over the years through regulations, including regulations enacted in 2008 to put into place a two-phase reform of the EU wine sector. The second and final phase of the wine reform covering oenological practices, designations of origin and labelling for wines entered into force on August 1, 2009;
- a designation of origin (*appellation d’origine*) for wine that benefit from registered protection under the “AOP (Appellation d’Origine Protégée)” system refers to a wine originating from a region, a specific place or, in exceptional circumstances, a country whose quality and characteristics are essentially or exclusively due to a particular geographical environment and whose production takes place in this geographical area;
- wine benefiting from a protected designation of origin must generally be labelled with certain required information, including the words “Appellation d’Origine Protégée” as well as the name of the protected designation of origin. Optionally, it may be labelled with the formal symbol, shown below:



- as for the case of agricultural products, many wines protected under the Opponent's system are sold in packaging which is simply marked "AOP" or "Appellation d'Origine Protégée", without the use of the formal symbol; and
- several hundred of wines sold with designations of origin are protected under the AOP system.

[44] I also agree with the Opponent that it did provide evidence concerning Canadians' knowledge of its AOP system, including the meaning of the "Appellation d'Origine Protégée" designation.

[45] In this regard, I note that the Caratti affidavit provides, among others, a yearly breakdown of the approximate volume and value of sales of wines with an AOP designation to Canada from France for 2007-2011. The affiant explains that the wine produced after the year 2009 would have included the corresponding protected designation of origin or APPELLATION D'ORIGINE PROTÉGÉE on their labels [para 26]. The affiant also furnishes spreadsheets showing the exports to Canada of French wines from the European Union for the years 2008 to 2011, "including those marked with the AOP designation" [para 27, Exhibit M].

[46] Other affiants of the Opponent have also introduced evidence concerning Canadians' knowledge of the AOP system. Suffice it to note that the Theodore-McIntosh affidavit provides evidence of articles concerning the AOP system and published in Canadian newspapers prior to the material date [para 7, Exhibit RM-10].

[47] The Applicant did not file any evidence to contradict the Opponent's evidence that Applicant has never been authorized to use the AOP designation or any other protected geographic indication for wine products in Canada or anywhere in the world [para 31 of the Caratti affidavit]. Furthermore, the Applicant has not filed any evidence to establish that the

Mark had been so used in Canada as to have become distinctive of the Wares under section 12(2) of the Act.

[48] Accordingly, the ground of opposition based upon section 12(1)(b) of the Act succeeds because the Applicant failed to discharged its ultimate onus of establishing that the Mark was not deceptively misdescriptive as of March 15, 2011.

Could the Applicant have been satisfied of its entitlement to use the Mark in Canada at the filing date of the application?

[49] This issue arises from the two-prong ground of opposition alleging that the application contravenes the provisions of section 30(i) of the Act because the Applicant could not have been satisfied that it was entitled to use or register the trade-mark in Canada in association with the Wares.

[50] The material date to assess the ground of opposition raised under section 30(i) of the Act is the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

[51] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled *to use* the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or non-compliance with a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)].

[52] In summary, the first prong of the ground of opposition is based on allegations that the Applicant as a bottler, marketer, and vendor of wines in Canada was clearly aware of the Opponent's Protected Designation of Origin regime including the adoption of the designation "Appellation d'Origine Protégé" and "AOP" for wines and therefore the Applicant could not have been satisfied of its entitlement to use the Mark in Canada in association with the Wares.

[53] I have already found that the evidence provided through the Caratti affidavit is more than sufficient to establish that the use of the designation AOP in association with wines, as of May 15, 2013, was restricted to wine products that had qualities and characteristics which are essentially due to the regions in Europe in which they were produced, processed and prepared according to standards established by the Opponent. Furthermore, the Opponent's evidence is that the Applicant has never been authorized to use the AOP designation or any other protected geographic indication for wine products in Canada or anywhere in the world [para 31 of the Caratti affidavit].

[54] Accordingly, I am satisfied that the Opponent has met its initial evidential burden with respect to the first prong of the ground of opposition. Thus, the issue becomes whether the Applicant has discharged its onus to show that the statement that the Applicant was satisfied that it was entitled to use the Mark in Canada in association with the Wares was made in good faith at the filing date of the application.

[55] Based on my understanding of its oral submissions, the Applicant contends that the Opponent's evidence shows at most that it was "Appellation d'Origine Protégée" that had acquired reputation in Canada at the material date; not "AOP". With due respect, in my view, this argument does not assist the Applicant. Rather, it supports a finding that the Applicant would have been aware, when it filed the application, that only wine products of particular qualities and characteristics essentially due to their region of production may be marked AOP.

[56] Moreover, I agree with the Opponent that it would have been a simple matter for the Applicant to introduce evidence to show, if only explain, why it was satisfied that it was entitled to use the Mark in Canada.

[57] In the end, the Applicant has not provided any evidence to convince me, on a balance of probabilities, that it could in good faith make the statement that it was satisfied of its entitlement to use the Mark in Canada in association with the Wares as of March 15, 2011.

[58] Accordingly, I conclude that the Applicant has not discharged the ultimate onus resting upon it and so the first prong of the ground of opposition succeeds.

[59] As I have found in favour of the Opponent under the first prong of the ground of opposition, I will not address the second prong other than to say that it is essentially based on allegations that the use of the Mark in Canada is contrary to federal statutes.

Disposition

[60] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application under section 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule “A”

Detailed summary of the grounds of opposition

Section 38(2)(a) of the Act

- The application contravenes the provisions of section 30(a) of the Act because the statement of wares “wine; alcoholic fruit drinks” is not in ordinary commercial terms, nor is it indicated as acceptable in *The Wares and Services Manual*. The description does not permit a clear understanding as to the real nature of the wares.
- The application contravenes the provisions of section 30(b) of the Act because the Mark had not been used in association with the Wares since the date of first used claimed in the application nor has it been used continuously since that date.
- The application contravenes the provisions of section 30(i) of the Act because the Applicant could not be satisfied that it was entitled to use or register the Mark in Canada in association with the Wares.
 - Beginning in 1992, the Opponent created systems to promote and protect traditional food and beverage products originating from European sources, including the PDO (Protected Designation of Origin) regime which was then and is now well-known to members of the wine industry in Canada. For a variety of products, including wine, the designation AOP (Appellation d’Origine Protégée) was adopted to denote that the product at issue has qualities and characteristics which are essentially due to its region of production and that it had been produced, processed and prepared exclusively within that region, according to specific standards. Since at least as early as 2007, the Opponent has adopted and carefully regulated the use of AOP in association with wines, and has publicized the use of AOP designation through media throughout the world. Under the Opponent’s system, it is only wine products of a particular quality emanating from a Protected Designation of Origin that may be marked with the AOP designation signifying this. The Applicant as a bottler, marketer and vendor of wines, was clearly aware of the Opponent’s PDO regime. The

Applicant's filing and use of the Mark constitutes bad faith, in that it represents a deliberate attempt to trade on the internationally recognized designation and system of the Opponent with an intention to deceive consumers.

- Due to the false, misleading or deceptive impression conveyed by the Mark, its use contravenes sections 7(b) and (d) of the Act, sections 52 and 74.01 of the *Competition Act*, RSC 1985, c C-34, section 7 of the *Consumer Packaging and Labelling Act*, RSC 1985, c C-38, and section 5 of the *Food and Drugs Act*, RSC 1985, c F-27.

Section 38(2)(b)

- The application contravenes the provisions of section 10 of the Act because the Mark has by ordinary and *bona fide* commercial usage become recognized in Canada as a mark of the Opponent designating the quality of wines, namely, that wines bearing the AOP designation have qualities and characteristics which are essentially due to its region of production and have been produced, processed or prepared exclusively within that region according to the Opponent's designation standards. The Mark is likely to mislead and deceived consumers into believing that the Wares have been so designated when no such designation has been awarded to the Applicant and/or the Wares.
- The application contravenes the provisions of section 12(1)(b) of the Act because it is deceptively misdescriptive of the character or quality of the Wares or of the conditions of or the persons employed in their production or of their place of origin. AOP is recognized by consumers as meaning Appellation d'Origne Protégée and indicating wines having qualities and characteristics which are essentially due to their specific regions of production which are produced, processed and prepared specifically within those specific regions with the Opponent's approval and according to its designation standards.

Section 38(2)(c) of the Mark

- The Applicant is not the person entitled to registration of the Mark under section 16(1)(a) of the Act because at its date of first use the Mark was confusing with the Opponent's use and making known of the trade-mark AOP in association with a geographical indication regime

which certifies a variety of products, including wine, of a particular quality and having characteristics which are essentially due their region of production and being produced, processed and prepared exclusively within that region, according to the Opponent's designation standards.

Section 38(2) of the Act

- The Mark is not and cannot be distinctive of the Applicant under section 2 of the Act in light of the Opponent's reputation in and to the AOP and Appellation d'Origine Protégée designations in association with wines. The Mark is not distinctive of the Applicant's Wares and is not adapted to distinguish the Applicant's Wares from those of others, namely those of the Opponent.