



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

Citation: 2013 TMOB 92
Date of Decision: 2013-05-17

**IN THE MATTER OF OPPOSITIONS
by Manzen LLC to application Nos.
1,434,885 and 1,438,013 for the trade-
marks NOS ENERGYSHOT and NOS
ENERGYSHOT X, in the name of The
Coca-Cola Company**

[1] On April 17, 2009 and May 13, 2009 respectively, The Coca-Cola Company (the Applicant) filed applications to register the trade-marks NOS ENERGYSHOT and NOS ENERGYSHOT X (the Marks), based on proposed use in association with the following wares and services (the Wares and Services):

Wares: Energy drinks and liquid energy supplement beverages.

Services: Advertising services, promotional services and marketing services, namely: marketing analysis and research, retail store-based advertising programs (namely: preparing and placing in-store advertisement for others), retail store and special event based product sampling programs, product sample distribution programs and coupon programs, all related to the distribution and sale of energy drinks and liquid energy supplement beverages and syrups, concentrates and powders for making beverages, namely, energy drinks and liquid energy supplement beverages.

[2] The applications were advertised for opposition purposes in the *Trade-marks Journal* of January 27, 2010.

[3] On September 27, 2010, Manzen LLC (the Opponent) filed statements of opposition against both of the above-noted applications. The grounds of opposition are the same in both cases and can be summarized as follows:

- Pursuant to sections 38(2)(a) and 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), the applications do not comply with the requirements of section 30(a) of the Act, as the statements of wares and services are unclear and ambiguous, require interpretation and speculation, and do not exhaustively and correctly describe the Applicant's Wares and Services in ordinary commercial terms.
- Pursuant to sections 38(2)(a) and 30 of the Act, the applications do not comply with the requirements of section 30(e) of the Act, since the Applicant could not have intended, by itself or through a licensee, to use the Marks in Canada in association with all of the Wares and Services.
- Pursuant to sections 38(2)(a) and 30 of the Act, the applications do not comply with the requirements of section 30(i) of the Act, since the Applicant could not have been satisfied that it was entitled to use the Marks in Canada in association with the Wares and Services in view of confusion with the Opponent's XYIENCE XSHOT and XENERGY trade-marks that had been previously used by the Opponent or the Opponent's predecessor-in-title in Canada.
- Pursuant to sections 38(2)(c) and 16(3)(a) of the Act, the Applicant is not the person entitled to registration of the Marks because, as of the filing dates for the applications, the Marks were, and continue to be, confusing with the Opponent's XYIENCE XSHOT trade-mark and XENERGY trade-mark that had been previously used in Canada by the Opponent.
- Pursuant to sections 38(2)(c) and 16(3)(b) of the Act, the Applicant is not the person entitled to registration of the Marks because, as of the filing dates for the applications, the Marks were, and continue to be, confusing with the Opponent's XYIENCE XSHOT application (No. 1,430,571) and XENERGY application (No. 1,323,016) that had been previously filed by the Opponent or the Opponent's predecessor-in-title.
- Pursuant to sections 38(2)(d) and 2 of the Act, the Marks are not distinctive of the Applicant in that the Marks are not capable of actually distinguishing, nor are they adapted to distinguish, the Wares and Services of the Applicant from the wares of the Opponent, in view of the extensive prior use and reputation of the Opponent's XYIENCE XSHOT and XENERGY trade-marks.

[4] The Applicant served and filed counter statements in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof.

[5] The Opponent did not file any evidence in support of its oppositions. The Applicant filed an affidavit of Jane Buckingham, in support of both applications. Ms. Buckingham was not cross-examined on her affidavit.

[6] Only the Applicant filed written arguments; an oral hearing was not conducted.

Applicant's Evidence

Affidavit of Ms. Buckingham

[7] Ms. Buckingham is employed by the Applicant's agent as a trade-mark searcher. With respect to the relevant portions of her affidavit, she indicates that on May 23, 2012, she conducted a search for all active trade-mark applications and registrations which incorporate the elements "ENERGY", "SHOT", and "X" for use in association with non-alcoholic beverages. The results of these searches are attached as Exhibits A1, A2 and A3 to her affidavit.

Onus and Material Dates

[8] 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 evidential 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 Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

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

- sections 38(2)(a)/30 – the filing date of the application [see *Georgia-Pacific Corp. v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR 428 at 432 (TMOB)];
- sections 38(2)(c)/16(3) – the filing date of the application [see section 16(3)];

- sections 38(2)(d)/2 – the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Non-compliance Grounds of Opposition - Section 30 of the Act

[9] The Opponent did not file evidence to support its allegation that the Wares and Services are not described in ordinary commercial terms as per the requirements of section 30(a) of the Act, nor has the Opponent made any representations in support of this ground of opposition. Accordingly, the Opponent has failed to meet its initial onus and consequently, this ground of opposition is dismissed.

[10] With respect to the ground of opposition based on section 30(e) of the Act, since each application contains a statement that the Applicant by itself and/or through a licensee intends to use the each of the Marks in Canada, it formally complies with section 30(e). There is no evidence to support a finding that the Applicant did not intend to use the Marks in association with the Wares and Services. Accordingly, the section 30(e) ground of opposition is dismissed on the basis that the Opponent has not met its initial evidential burden.

[11] Lastly, where an applicant has provided the statement required by section 30(i) of the Act, a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. In the present case, the Applicant has provided the necessary statement and this is not an exceptional case; the section 30(i) ground is therefore dismissed.

Non-Entitlement Ground of Opposition – Section 16(3)(a)

[12] The Opponent has the initial onus of proving that one or more of its XYIENCE XSHOT and XENERGY trade-marks alleged in support of its ground of opposition based on section 16(3)(a) of the Act, was used or made known prior to the filing dates of the Applicant's applications (April 17, 2009 and May 13, 2009) and was not abandoned at the date of advertisement of the applications for the Marks (January 27, 2010) [section 16(5) of the Act].

[13] As the Opponent has not filed any evidence to show use of its trade-marks alleged in support of this ground of opposition, this ground is dismissed on the basis that the Opponent has not satisfied its initial burden.

Non-Entitlement Ground of Opposition – Section 16(3)(b)

[14] In order to meet its initial burden under section 16(3)(b), the Opponent must establish that one or more of its applications, Nos. 1,430,571 (XYIENCE XSHOT) and 1,323,016 (XENERGY) was filed prior to the filing dates of the Applicant's applications (April 17, 2009 and May 13, 2009) and was not abandoned at the date of advertisement of the applications for the Marks (January 27, 2010) [section 16(4)].

[15] As correctly noted by the Applicant, the Opponent has not furnished any evidence of the applications on which it relies in support of this ground of opposition. However, the Registrar has the discretion, in view of the public interest, to check the register for applications relied upon by an opponent [see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB)]. I have exercised my discretion to check the status of the applications cited by the Opponent and confirm that both applications were filed prior to the filing dates and remained pending at the advertisement date.

[16] As the Opponent has satisfied its initial burden, the Applicant must therefore establish, on a balance of probabilities, that as of the dates of filing of the Applicant's applications, namely, April 17, 2009 and May 13, 2009 respectively for the trade-marks NOS ENERGYSHOT and NOS ENERGYSHOT X, there was not a reasonable likelihood of confusion with the Opponent's trade-marks XYIENCE XSHOT and XENERGY.

Test for confusion

[17] 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.

[18] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks 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 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 CPR (4th) 321 (SCC)].

[19] In *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC), the Supreme Court of Canada indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks. In considering the importance of section 6(5)(e) in conducting an analysis of the likelihood of confusion, the Court commented at paragraph 49:

...the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis ... if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar... As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start.

[20] I will therefore commence the analysis of the likelihood of confusion by considering the degree of resemblance between the Applicant's Marks and the Opponent's trade-marks XYIENCE XSHOT and XENERGY.

Section 6(5)(e) – degree of resemblance in appearance, when sounded, or in idea suggested

[21] There are common elements between the marks; namely, the elements "ENERGY" and "X" (with respect to the Opponent's XENERGY trade-mark), as well as the element "SHOT" (with respect to the Opponent's XYIENCE XSHOT). However, it is not the proper approach to break the marks into their elements and concentrate upon the elements that are

similar; rather, it is the effect of the marks in their totalities that must be considered [see *Ultravite Laboratories Ltd v Whitehall Laboratories Ltd* (1965), 44 CPR 189 (SCC)].

[22] To revisit *Masterpiece, supra*, in his discussion of the approach in assessing the resemblance between trade-marks, Mr. Justice Rothstein stated, at paragraph 64: “While the first word may, for the purposes of distinctiveness, be the most important in some cases, I think the preferable approach is to first consider whether there is an aspect of the trade-mark that is particularly striking or unique.”

[23] In my view, the most striking portion of the Applicant’s Marks is the first portion, NOS. The word NOS appears to be a coined term with no clear meaning in association with the Wares and Services. This finding is further reinforced by the fact that the other elements of the Applicant’s Marks simply consist of common dictionary words and a letter of the alphabet. Indeed, the word “ENERGY” is descriptive when used in association with energy drinks and supplements. Furthermore, I would agree with the Applicant that the word “SHOT” has a suggestive quality when used in association with the Wares; perhaps relating to a small serving or dose, similar in idea to a “shot of espresso” for example.

[24] This is markedly different from the Opponent’s marks which include the letter X as the first letter of a newly coined word.

[25] Thus, when viewing the parties’ marks in their totalities - given that NOS stands out in the Applicant’s Marks, and the shared elements of the parties’ marks consist merely of common dictionary words and a letter of the alphabet placed in a differing order or combination - the parties’ marks are readily distinguishable visually, phonetically, and in ideas suggested.

[26] Having found that the parties’ marks do not resemble each other to any significant extent, I must now assess the remaining relevant surrounding circumstances to determine whether any of these other factors are significant enough to find a likelihood of confusion [see *Masterpiece, supra* at para 49].

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

[27] The Applicant's Marks and the Opponent's marks both include coined elements and thus are all inherently distinctive. However, since there is no evidence that any of the marks at issue have been used in Canada, it must be assumed that none of the marks is known in Canada. As such, this factor favours neither party.

Section 6(5)(b) – length of time in use

[28] As neither party has filed any evidence of use of their trade-marks and as all applications are based on proposed use, this factor does not favour either party.

Sections 6(5)(c) and (d) – the nature of the wares and services and business or trade

[29] The parties' wares and services are similar or overlapping. In light of this similarity, and in the absence of evidence regarding the exact nature of the parties' channels of trade, I am willing to infer that the parties' channels of trade likely also overlap.

Additional surrounding circumstances - state of the Register

[30] The affidavit of Ms. Buckingham was provided by the Applicant in part, to demonstrate that the elements "ENERGY", "SHOT", and "X" are common elements of trade-marks used in association with non-alcoholic beverages in general, including energy drinks.

[31] Inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located [see *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[32] In the present case, Ms. Buckingham has evidenced approximately 15 relevant registrations incorporating the elements "ENERGY" and "X", respectively, as of the filing dates of the Applicant's applications. I am satisfied that this evidence supports a finding that the use of the elements "ENERGY" and "X" are common to the trade [see *Old Spaghetti Factory Canada Ltd v Spaghetti House Restaurants Ltd* (1999), 2 CPR (4th) 398 at 407

(TMOB)]. That is, given the number of relevant registrations, the presumption is that consumers were accustomed to seeing these elements used in the trade for these types of wares and related services. This is not surprising with respect to the element “ENERGY”, given its descriptive nature, as previously discussed, when used in association with energy drinks and supplements.

Conclusion

[33] As discussed above in *Masterpiece*, the Supreme Court of Canada highlighted the importance of the section 6(5)(e) factor in the analysis of the likelihood of confusion. In the present case, I have found significant differences between the parties’ marks in terms of sound, appearance and ideas suggested such that, notwithstanding the similarity in the nature of the parties’ wares and trades, I am satisfied that the Applicant has discharged its onus of showing on a balance of probabilities, that there was no reasonable likelihood of confusion between the parties’ marks at the material dates. Accordingly, the ground of opposition based on section 16(3)(b) of the Act is dismissed.

Non-Distinctiveness Ground of Opposition

[34] In order to meet its initial burden under this ground, the Opponent must show that as of the filing of the statement of opposition, namely, January 27, 2010, the Opponent’s marks had become known sufficiently to negate the distinctiveness of the Marks [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc, supra; Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)]. As the Opponent has not filed any evidence in this regard, the Opponent has failed to meet its initial burden.

[35] Accordingly, this ground of opposition is dismissed.

Disposition

[36] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the oppositions pursuant to section 38(8) of the Act.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office