



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

Citation: 2011 TMOB 66
Date of Decision: 2011-04-20

**IN THE MATTER OF AN OPPOSITION
by Havana Club Holding, Inc. to
Application No. 1,156,401 for the trade-
mark EL ESPIRITU DE CUBA presently
owned by Ron Matusalem & Matusa of
Florida Inc.**

Introduction

[1] On October 24, 2002, 1872 Holdings, V.O.F. filed an application to register the trade-mark EL ESPIRITU DE CUBA, application number 1,156,401, based on proposed use in association with alcoholic beverages namely, distilled liquors, rum; non-alcoholic cocktail mixes intended to be mixed with rum, non-alcoholic cocktails (the “Wares”) and in association with promoting the sale of alcoholic beverages and non-alcoholic cocktails through the administration of incentives, namely trips, contests and giveaways, namely, t-shirts, hats, key-rings, drinking glasses and removable tattoo stickers at retail stores, bars, restaurants, nightclubs and specialty sponsored events; retail sales of alcoholic beverages (the “Services”).

[2] Subsequent to office actions, the Applicant disclaimed the right to the exclusive use of the word “CUBA” apart from the Mark as a whole, indicated to the Registrar that the English translation of EL ESPIRITU DE CUBA is “The spirit of Cuba” and specified in ordinary commercial terms the services as defined above.

[3] The application was advertised on December 6, 2006 in the Trade-marks Journal for opposition purposes.

[4] Havana Club Holding (the “Opponent”) filed on January 29, 2007 a statement of opposition that was forwarded by the Registrar to the Applicant on February 22, 2007. The Applicant denied all grounds of opposition in a counter statement filed on June 22, 2007.

[5] The Opponent filed the affidavits of Annie Cormier and Linda Palmer while the Applicant filed the affidavit of Claudio I. Alvarez Salazar dated August 20, 2008.

[6] Both parties filed written arguments and were represented at an oral hearing.

[7] On March 21, 2007 the Registrar recorded an assignment by which the present application was transferred from 1872 Holdings, V.O.F. to Ron Matusalem & Matusa of Florida Inc. I shall use the defined term “Applicant” to refer to either of them as the case may be.

The Grounds of Opposition

[8] The grounds of opposition pleaded are:

1. The Mark is not registrable pursuant to the provisions of s. 38(2)(b) and 12(1)(b) of the *Trade-marks Act* R.S.C. 1985, c. T-13, (the “Act”) since the Mark whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive of the place of origin of the Wares and Services;
2. Pursuant to s. 38(2)(d), the Applicant’s Mark is not distinctive and more particularly the Mark does not distinguish nor is it adapted to distinguish the Wares and Services of those of the Opponent within the meaning of s. 2 of the Act as the Mark is descriptive or falsely misdescriptive of the place of origin of the Wares;
3. Pursuant to s. 38(2)(d), the Applicant’s Mark is not distinctive nor is it adapted to distinguish the Wares and Services of the Applicant within the meaning of s. 2 of the Act as the Mark proposed to be used is as an ornamental feature and not a trade-mark;

4. The application does not comply with the requirements of s. 30 (b) of the Act as the proposed use of the Mark is not use as a trade-mark within the meaning of s. 4 of the Act but rather as an ornamental feature.

Burden of Proof in Trade-marks Opposition Procedure

[9] The legal onus is upon the Applicant to show that its application complies with the provisions of the Act, but 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company*, 41 C.P.R. (4th) 223].

Relevant dates

- [10] The relevant dates for the analysis of the grounds of opposition are:
- Registrability of the Mark under s. 12(1)(b) of the Act: the filing date of the application (October 24, 2002) [see *Dic Dac Holdings (Canada) Ltd v. Yao Tsai Co.* (1999), 1 C.P.R. (4th) 263, *Zorti Investments Inc. v. Party City Corporation* (2004), 36 C.P.R. (4th) 90; *Havana Club Holdings S.A. v. Bacardi & Company Limited*, (2004) 35 C.P.R. (4th) 541];
 - Distinctiveness of the Mark: the filing date of the statement of opposition is generally accepted to be the relevant date (January 29, 2007) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317].

- Compliance with the requirements of s. 30(b) of the Act: The filing date of the application [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 at 296 (F.C.T.D.)]

Registrability of the Mark under s. 12(1)(b) of the Act

[11] The test under s. 12(1)(b) of the Act has been described in *Thomas J. Lipton Ltd. v. Salada Foods Ltd. (No. 3)* (1979), 45 C.P.R. (2d) 157 (F.C.T.D.) as follow:

Connotation means an implication or a suggestion. Even a "specific descriptive suggestion or implication" or "a clear implication or suggestion" that a mark is descriptive or misdescriptive is not sufficient to disqualify it for registration under s-s. 12(1)(b). That enactment admits of no mere implication or suggestion. Parliament used the word "clearly" before the word "descriptive" and "deceptively" before the word "misdescriptive" and the Registrar has made no finding that the word was either clearly descriptive or deceptively misdescriptive. As to whether a mere suggestive description suffices, one might refer to a decision of the former Exchequer Court of Canada in the case of *Kellogg Co. of Canada Ltd. v. Registrar of Trade Marks*, [1939] 3 D.L.R. 65, [1940] Ex. C.R. 163 at pp. 170 and 171

[12] Mr. Justice Cattanach in *Oshawa Group Ltd. v. Canada (Registrar of Trade Marks)* (1980), 46 C.P.R. (2d) 145 (F.C.T.D.) stated:

I also accept the premise of counsel for the respondent that a mark must first be found to be descriptive before it can be found to be misdescriptive: see *Bonus Foods Ltd. v. Essex Packers Ltd.* (1964), 43 C.P.R. 165 at p. 178, 49 D.L.R. (2d) 320, [1965] 1 Ex. C.R. 735 at p. 749.

[13] Ms. Cormier has been an attorney for the Opponent's agent firm. She was asked to do a search on the Internet. She visited a website located at www.matusalem.com and filed copies of all the pages of such website. There is no indication on the pages filed that the website visited is owned and/or operated by the Applicant. However there is a reference to 1872 Holdings V.O.F.. Some of the web pages attached to Ms. Cormier's affidavit do establish that the rum advertised on that website is not manufactured in Cuba.

[14] Mr. Salazar has been a director and shareholder of the Applicant. For the purpose of assessing this ground of opposition, as it will appear from my decision, it is not necessary to review in detail the full content of his affidavit. The origin of the Applicant's business activities in Cuba and its misfortune associated with the taking over by Fidel Castro of that country in the early 1960's are facts that are of no assistance in the outcome of this decision. However it is important to note and reference can be made to paragraphs 4 and 5 to Mr. Salazar's affidavit, that the Applicant's rum sold in association with the Mark is not manufactured in Cuba.

[15] From this portion of the evidence in the record, I conclude that the Mark cannot be considered as clearly descriptive of the place of origin of the Wares and Services as the rum does not originate from Cuba. As for the other wares and the Services, I have no evidence that they would originate from Cuba. Consequently what has to be determined is if the Mark could be viewed as deceptively misdescriptive of the place of origin of the Wares and Services. The Applicant has to prove, on a balance of probabilities, that the Mark is not deceptively misdescriptive of the place of origin of the Wares and Services.

[16] The Opponent is relying on the decision of the Registrar involving the same parties wherein the trade-mark in issue was THE SPIRIT OF CUBA [see *Havana Club Holdings v. Ron Matusalem & Matusa of Florida, Inc.*, application 1,154,259 decision rendered on October 2, 2009 (T.M.O.B.), affm. 2010 FC 786 (F.C.T.D.)]. In that decision the Registrar concluded that the trade-mark THE SPIRIT OF CUBA was deceptively misdescriptive of the place of origin of the wares when used in association with similar wares.

[17] There is no argument over the meaning of the Mark: It does translate into the English language to "The spirit of Cuba" as stated in the application. Nevertheless, Mr. Alvarez Salazar alleges in paragraph 5(d)(1) of his affidavit that "However in

English the word “spirit” may refer to “essence, ghost, and/or embodiment”. In Spanish “el espiritu” may only mean “the essence or ghost”.

[18] The Applicant is arguing that the evidence shows that the word “spirit” in the English translation of the Mark cannot mean “alcohol” as it was found in the Registrar’s decision concerning the registration of the trade-mark THE SPIRIT OF CUBA. The meaning of the word “spirit” was a key element in the Registrar’s aforesaid decision to conclude that the trade-mark THE SPIRIT OF CUBA was deceptively misdescriptive of the place of origin of the wares.

[19] The Opponent argues that, because the Mark translates into English to “The spirit of Cuba”, the same conclusion drawn in the opposition for the registration of the trade-mark THE SPIRIT OF CUBA should apply. I was informed by the parties at the oral hearing that the decision of the Federal Court, Trial Division in *Ron Matusalem & Matusa of Florida, Inc. v. Havana Club Holdings* 2010 FC 786 is under appeal before the Federal Court of Appeal. Apparently the appeal deals mainly with some of the conclusions drawn by the judge of the Trial Division on the additional evidence filed before him focusing on the meaning of the English word “spirit”. In my view, the outcome of that appeal is not likely to have any effect on the result of this opposition.

[20] The Opponent acknowledges that the Mark is not a trade-mark in either the French or English language as specified in s. 12(1)(b) of the Act. However the Opponent is inviting the Registrar to give a liberal interpretation to that section of the Act as the Mark falls into the category of “deceptively misdescriptive trade-marks” as opposed to clearly descriptive trade-marks. The Opponent’s argument to support its contention is that s. 12(1)(b) was enacted to protect the consumer.

[21] The Opponent refers to three decisions of the Registrar where the trade-marks in issue were found to be deceptively misdescriptive but were not French or English

words *per se*. In the case of *Rothmans of Pall Mall Canada Ltd. v. MacDonald Tobacco Inc.* (1977), 34 C.P.R. 279 the trade-mark was TORONTOS. In *Jordan & Ste-Micheline Cellars Ltd.-Les caves Jordan & Ste-Michelle Ltée v. Les Vins La Salle Inc.* (1983) 78 C.P.R. (2d) 279 the trade-mark was MUSCATO and finally in *Jordan & Ste-Micheline Cellars Ltd. v. Gillespies & Co. Ltd.* (1985) 6 C.P.R. (3d) 377 the trade-mark was TOSCANO.

[22] All of these cases can be distinguished from our case. The trade-mark MUSCATO was not indicative of the place of origin of the wares but could be viewed as indicating that the wine sold in association with that trade-mark was made of Muscat grapes.

[23] As for the trade-mark TORONTOS, despite the fact the trade-mark was an invented word, it was ruled that the trade-mark was essentially a geographical term. Finally as for the trade-mark TOSCANO, it was held, from the evidence filed, that “Toscano” was the actual name in Italian of the wine produced in the region known as Toscana.

[24] Finally, in all these cases the trade-marks in issue were made of one single word.

[25] One must look at the wording used by the Legislator in s. 12 of the Act. In s. 12(1)(b), the Legislator has specifically referred to a trade-mark that would be “...either clearly descriptive or deceptively misdescriptive in the English or French language....” while in s. 12(1)(c) he used the words “...in any language...”. Therefore if the Legislator wanted to apply the concept of “clearly descriptive or deceptively misdescriptive trade-marks” to trade-marks in any language he would have used the same wording as in s. 12(1)(c) of the Act. By specifically mentioning English or French language, in my view the Legislator indicated his intention to limit the scope of that section to English or French trade-marks, the two official languages in Canada.

[26] The only recognisable portion of the Mark to an average Canadian English speaking consumer is the word CUBA. For a French speaking Canadian consumer the words “de Cuba” could mean “from Cuba”. Since I must determine if the Mark, as a whole, is deceptively misdescriptive of the place of origin of the Wares and Services within the meaning of s. 12(1)(b) of the Act, I must take in consideration the other words of the Mark, namely “EL” and “ESPIRITU”. Those are foreign words and therefore it cannot be said that the Mark, as a whole, is clearly descriptive or deceptively misdescriptive in the English or French language of the place of origin of the wares or services.

[27] Consequently I dismiss the first ground of opposition

Distinctiveness Grounds of Opposition

[28] The second and third grounds of opposition raise, under different angles, the lack of distinctiveness of the Mark.

[29] In its second ground of opposition the Opponent is arguing that the Mark cannot be distinctive as it is either descriptive or deceptively misdescriptive of the place of origin of the Wares or Services. Under this ground of opposition the Opponent contends that the limitation found under s. 12(1)(b) of the Act in terms of the language of the Mark does not apply. Consequently since the Mark translates in English to “The spirit of Cuba”, it would be deceptively misdescriptive of the place of origin of the Wares and Services as they do not originate from Cuba. Consequently, the Mark cannot be said to be distinctive of the Wares and Services.

[30] The Opponent argues that the dominant portion of the Mark is “DE CUBA” as it is the portion of the Mark that would be understood by the average Canadian consumer. Therefore the message given to the average Canadian consumer is that the

Wares and Services sold in association with the Mark originate from Cuba, which is not the case.

[31] I have to determine if the Mark, as a whole, is distinctive and thus serves to distinguish the Applicant's Wares and Services. I have no evidence that the average Canadian consumer would be able to translate the Mark into English or French. I acknowledge that he or she would recognize the word CUBA but is that sufficient to conclude that the Mark, as a whole, is not distinctive within the meaning of s. 2 of the Act? The Applicant, as indicated earlier, has disclaimed the exclusive use of the word "Cuba" apart from the Mark as a whole.

[32] The first two words of the Mark, namely EL ESPIRITU, are foreign words. Therefore, for the average Canadian consumer, they are inherently distinctive. As a whole, the Mark has a certain degree of inherent distinctiveness, despite the presence of the word "Cuba". Consequently the Mark is a trade-mark that is adapted to distinguish the Applicant's Wares and Services.

[33] For those reasons the second ground of opposition is also dismissed.

[34] In its third ground of opposition the Opponent is arguing that the Mark is not distinctive as it is intended to be used as an ornamental feature and not as a trade-mark.

[35] At the oral hearing the Opponent has not presented any arguments on this ground of opposition except to state that the Applicant has not discharged its burden of proof. In its written argument the Opponent presented its argument in only a couple of paragraphs. I can summarize them in the following way. The Opponent relies on the evidence filed by the Applicant wherein Mr. Salazar is stating that the Mark is used as a "slogan" to promote its wares and services. The Opponent is suggesting that such use is ornamental or promotional and not use as a trade-mark. The Opponent further

states that the Applicant has not filed any evidence establishing use of the Mark as a trade-mark. The Opponent makes reference to exhibit 3 to Mr. Salazar's affidavit.

[36] Exhibit 3 to Mr. Salazar's affidavit are samples of advertisements wherein the Mark appears. However we have no indication that those advertisements ever circulated in Canada. Most of them appear to have been published in Spanish publications. There is no evidence that Canadians would have seen those ads. Therefore I cannot conclude that those advertisements constitute use of the Mark in Canada in association with Services.

[37] Moreover, the fact that it is a slogan does not mean that it cannot be registered as a trade-mark. If it is used to distinguish the Applicant's Wares and Services from those of others, it certainly qualifies as a trade-mark. In any event the application is based on proposed use in Canada and there is no evidence in the record that would indicate that the Applicant does not intend to use the Mark as a trade-mark in Canada.

[38] This ground of opposition is dismissed for failure by the Opponent to meet its initial burden.

Ground of Opposition based on s. 30(b) of the Act

[39] This ground of opposition was also not argued at the oral hearing except to state that the Applicant has not discharged its burden of proof. There is only one paragraph addressing this issue in the Opponent's written argument. The Opponent argues that the Applicant, through the affidavit of Mr. Salazar, has indicated that the Mark is used as a slogan. Notwithstanding that statement, the slogan does not appear on the products or their packaging. The only use as a slogan appears on the advertisement referred hereinabove. Consequently the Opponent asserts that the Applicant's intention is limited to the use of that slogan to promote its products and not in a manner to distinguish its Wares and Services as prescribed in s. 2 of the Act.

[40] For the same reasons detailed in paragraphs 35 and 36 above, I dismiss the fourth ground of opposition. The fact that the evidence filed by the Applicant does not show use of the Mark as a trade-mark is not fatal to the Applicant. Firstly the application is based on proposed use and thus there is no obligation at this stage on the Applicant to establish use of the Mark in Canada in association with the Wares and Services. Secondly there is no indication in the Applicant's evidence that the advertising, filed as exhibit 3 to Mr. Salazar's affidavit, has ever been used in Canada.

Conclusion

[41] Pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office