

**IN THE MATTER OF AN OPPOSITION by  
Hansen Beverage Company to application No.  
1,289,511 for the trade-mark MONSTER  
ALLERGY Design in the name of Rainbow  
S.P.A.**

[1] On February 10, 2006, Rainbow S.R.L. filed an application to register the trade-mark MONSTER ALLERGY Design (the Mark) based upon proposed use of the Mark in Canada in association with the following wares:

calendars, books in the field of novels for children and fairy tales, exercise-books, plastic materials for modelling, stationery, namely, sketch-books, diaries, pens, pencils, drawing rulers, drafting rulers, ungraduated rulers, felt pens, pencil cases, document holders, art paper, writing paper, copy paper, greeting cards, adhesive tapes for stationery purposes; jackets, trousers, jeans, gloves, socks, sweaters, cardigans, belts, tracksuits, sport shirts, polo shirts, T-shirts, blouses, overcoats, rain coats, suits, skirts, pullovers, underwear, pyjamas, drawers, knickers, brassieres, petticoats, vests, bikinis and beachwear, hats and caps; shoes, boots, slippers and sandals; candy, candy bars, chewing gum, chocolate, chocolate bars, chocolate syrup, chocolate eggs, cocoa, cocoa beverage with milk, coffee, cones for ice cream, ice cream, cookies, corn flakes, crackers, chips, edible cake decorations, nougat, pancakes, pasties [sic], pies, pizza, sandwiches, tea, tea-based beverages with fruit flavouring, toffees, lollipops.

[2] The Mark is shown below:



[3] On September 18, 2006, Rainbow S.P.A. (the Applicant) was recorded as the owner of the application.

[4] The application was advertised for opposition purposes in the Trade-marks Journal of September 27, 2006.

[5] On February 27, 2007, Hansen Beverage Company (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[6] In support of its opposition, the Opponent filed an affidavit of Rodney Sacks (the Opponent's Chairman and Chief Executive Officer) and a certified copy of Canadian registration No. TMA690,588 for the trade-mark MONSTER ENERGY (which issued from application No. 1,203,689).

[7] In support of its application, the Applicant filed affidavits of Jane Buckingham (a trade-mark searcher) and Susan Burkhardt (a law clerk).

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

[9] Only the Opponent filed a written argument. An oral hearing was not requested.

#### Onus

[10] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act). However, there is 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 C.P.R. (3d) 293 (F.C.T.D.) at 298].

### Section 16 Grounds of Opposition

[11] The Opponent has pleaded that the Applicant is not entitled to register the Mark because the Mark is confusingly similar with the Opponent's mark MONSTER ENERGY, which has been previously used in Canada (s. 16(3)(a)) and is the subject of prior application No. 1,203,689 (s. 16(3)(b)). The Opponent's mark is used in association with beverages and the statement of wares in its application reads "beverages, namely non-alcoholic, non-carbonated fruit juice drinks having a juice content of 50 percent or less by volume that are shelf-stable; carbonated soft drinks; carbonated drinks enhanced with vitamins, minerals, nutrients, amino acids and/or herbs; carbonated and non-carbonated sports drinks; non-carbonated teas; and water; all of the foregoing wares excluding perishable beverages containing fruit juice or soy, whether such products are pasteurized or not" (the Opponent's Wares).

[12] The Opponent has evidenced that application No. 1,203,689 was in good standing as of the filing date of the application and that MONSTER ENERGY was used in Canada prior to the material date of February 10, 2006. Accordingly, the Opponent has satisfied the initial burdens associated with both s. 16(3)(a) and (b).

[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.

[14] 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 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 C.P.R. (4th) 321 (S.C.C.).]

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

[15] The word “monster” can mean “huge”. Accordingly, MONSTER ENERGY is somewhat suggestive of beverages in that it suggests that such drinks will give the user a lot of energy. (The Opponent refers to its current line of beverages as energy drinks and the product packaging provided as Exhibit “A” to the Sacks affidavit states that its drink was “developed to provide energy and for periods of increased mental and physical exertion.”) MONSTER ALLERGY Design is therefore inherently more distinctive than MONSTER ENERGY, given that the meaning behind MONSTER ALLERGY is obscure.

[16] There is evidence that the Opponent’s mark has acquired a significant reputation (2 billion cans sold worldwide since 2002; over \$300 million spent on advertising/promotion). However, it is difficult to assess the amount of reputation acquired in Canada as of the material date of February 10, 2006, since the Opponent does not provide admissible figures concerning its Canadian sales or advertising. Figures provided in paragraphs 16 and 17 of the Sacks affidavit come from a third party, ACNielsen, and so are inadmissible hearsay; in any event they postdate the material date. There is evidence that the Opponent’s mark sponsors motocross events in Canada, but these events also postdate the material date (paragraphs 25 and 28, Sacks affidavit). MONSTER ENERGY drinks were the official energy drink of the Vans Warped Tour for the years 2003 through 2007, which apparently included events in Canada but no details have been provided as to when Canadian events occurred. At paragraph 34, Mr. Sacks states, “MONSTER ENERGY-sponsored athletes and events bring my company’s MONSTER ENERGY drinks and the MONSTER ENERGY mark enormous publicity and exposure throughout Canada”, but this conclusion is not supported by specific facts. In addition, Mr. Sacks refers to ads in various “national” publications, but given that Mr. Sacks resides in the U.S., I assume that “national” refers to across the United States, and no evidence has been provided concerning the extent of

circulation (if any) of those publications in Canada. There is also no evidence that promotions on the Internet were viewed by Canadians.

[17] Despite the deficiencies in the Opponent's evidence, a consideration of the extent to which each mark has become known still favours the Opponent, because there is no evidence that the Applicant's Mark has acquired any reputation.

*6(5)(b) - the length of time each has been in use*

[18] The Opponent claims use of its mark in Canada since January 2003. There is no evidence that the Applicant has commenced use of its Mark to date. Accordingly, s. 6(5)(b) favours the Opponent.

*6(5)(c) and (d) - the nature of the wares, services, business and trade*

[19] The Opponent's Wares are sold in Canada "in numerous retail stores and outlets, including Safeway, Wal-Mart, Save On Foods, Westfair, Sobey's, HY Louie, IGA, Associated Grocers, and many other retail chains and independent stores." (paragraph 13, Sacks affidavit) Mr. Sacks also states that MONSTER ENERGY drinks are sold in convenience stores such as 7-Eleven and gas stations.

[20] There is no evidence of the Applicant's channels of trade but to the extent that the parties' wares overlap (i.e. with respect to beverages), one may assume that the parties' channels of trade would also overlap. However, there are various non-beverage wares covered by the Applicant's application. Some of these, for example drafting rulers, presumably would travel in channels of trade that are very different from those travelled by the Opponent's Wares. Even if some of the Applicant's non-beverage wares, for example its various food items, might be sold in grocery stores or convenience stores, there is no evidence that they would be sold in the same areas of those stores as are beverages. Nor is there any evidence that companies that manufacture beverages typically also manufacture food.

[21] The Opponent has evidenced that its mark is widely promoted through the sponsorship of athletes and athletic competitions, including motocross, motorcycle and extreme sport events. Sponsored athletes wear clothing and gear that prominently display the Opponent's mark. The Opponent's mark also appears on signage and the like at certain musical events that it sponsors. Mr. Sacks states at paragraph 24, "Sponsorship of sporting events involves the MONSTER ENERGY mark being prominently displayed at the events on banners, posters, signs, and on clothing and accessories sold at the events, on transport, support and hospitality tractor trailers, on motor homes and promotional vehicles that tour the circuit for various sports." However, as mentioned earlier, there is very little evidence of the extent or timing of these activities in Canada.

[22] In addition, the Opponent provides various point-of-sale items to retailers who sell MONSTER ENERGY drinks, e.g. display cases, display cards, stickers, posters, pole signs.

[23] The foregoing activities can be regarded either as part of the nature of the Opponent's trade or as a further surrounding circumstance. Either way, the Opponent appears to be relying on them to demonstrate that the Opponent's mark has been associated with an additional category of wares that is covered by the Applicant's application, namely clothing. However, the display of the Opponent's mark on clothing appears to function primarily as a promotion for its beverages; it does not function to indicate the source of the clothing and so is not use of the trade-mark in association with clothing pursuant to s. 4 of the Act. There is no evidence that the Opponent has sold clothing bearing its mark in Canada. In addition, there is no evidence that the Opponent's mark has acquired a reputation in association with clothing in Canada (particularly as of the material date) or that any reputation so acquired would be more than *de minimus*.

*6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them*

[24] Although marks are to be considered in their entirety, the first component of a mark is often considered more important for the purpose of distinction. However, when the first component is a common, descriptive or suggestive word, the significance of the first component

decreases [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.)].

[25] The Opponent submits that the marks are highly similar phonetically and visually and that any differences between the marks are insufficient to distinguish the Applicant's Mark from the Opponent's mark. I agree that there is a fair degree of resemblance between the marks in appearance and sound, but there is clearly a significant difference in the ideas suggested by the two marks.

*other surrounding circumstances*

*i) state of the marketplace*

[26] Ms. Burkhardt introduces evidence of the state of the marketplace, in particular results of Internet searches that she conducted in August 2008. As this evidence postdates the material date of February 10, 2006, it is not relevant with respect to the s. 16 grounds of opposition.

*ii) state of the register*

[27] Ms. Buckingham introduces evidence of the state of the register. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*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.)]

[28] Ms. Buckingham provides the results of a search that she conducted in 2008 for applications and registrations for marks containing the word MONSTER. She located 152 such applications/registrations, including the two at issue here. The Applicant has not provided any discussion of the search results, either in Ms. Buckingham's affidavit or by written argument. I

do not think that it is up to the Registrar to wade through more than 150 pages to determine which of the marks located might be relevant to the case at hand.

[29] The Opponent has made the following submissions in its written argument concerning the Applicant's search results: 1) as the search was not limited to any particular wares or services, many of the marks located are for wares that are completely unrelated to those of the Applicant; 2) none of the marks located are as similar phonetically and visually as the Applicant's Mark and the Opponent's mark; 3) the only marks that incorporate the word MONSTER and the remaining letters \_ERGY are the parties' marks.

[30] I am not according any significant weight to the state of the register search results, for the reasons outlined in the preceding paragraphs.

*conclusion re s. 16*

[31] Having considered all of the surrounding circumstances, I am not satisfied that the Applicant has met its burden to show that confusion is not likely with respect to beverages, namely the following wares:

cocoa, cocoa beverage with milk, coffee, tea, tea-based beverages with fruit flavouring.

[32] However, I consider the remaining wares to be sufficiently different from the Opponent's field of interest to make confusion unlikely in regard thereto.

[33] Both s. 16 grounds of opposition therefore succeed only with respect to the Applicant's beverage wares.

#### Non-distinctiveness Ground of Opposition

[34] The Opponent has pleaded that the Mark is not distinctive because the parties' marks are confusing. The material date for assessing distinctiveness is 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.T.D.)].



[35] In the circumstances of this case, nothing turns on the date at which the issue of confusion is determined. Therefore the distinctiveness ground of opposition succeeds with respect to only the Applicant's beverage wares, as previously identified under the s. 16 grounds.

### Section 30 Grounds of Opposition

[36] The Opponent has pleaded two grounds of opposition under s. 30 of the Act.

#### *s. 30(e) ground of opposition*

[37] First, the Opponent has pleaded that the application is not in compliance with s. 30(e) because the Applicant did not in fact intend to use the Mark. The Opponent has submitted in its written argument that this ground should succeed because the Applicant has not satisfied its legal burden in regard thereto. However, the Application is not required to meet its legal burden until the Opponent has satisfied its initial burden. The Opponent has not filed any evidence directed to this ground of opposition and it has not met its initial burden. For this reason, this ground is dismissed.

#### *s. 30(i) ground of opposition*

[38] Second, the Opponent has pleaded that the application is not in compliance with s. 30(i) because, at the time of the application, the Applicant was aware of the Opponent's prior use of MONSTER ENERGY and could therefore have not been satisfied as to its entitlement to use the Mark. However, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155] As there is no such evidence in the present case, the s. 30(i) ground is dismissed.

### Disposition

[39] Pursuant to the authority delegated to me under s. 63(3) of the Act, pursuant to s. 38(8) of the Act, I refuse the application only with respect to the following wares:

cocoa, cocoa beverage with milk, coffee, tea, tea-based beverages with fruit flavouring.

The opposition is rejected with respect to the application's remaining wares.

DATED AT TORONTO, ONTARIO, THIS 2nd DAY OF FEBRUARY 2010.

Jill W. Bradbury  
Member  
Trade-marks Opposition Board