

**IN THE MATTER OF AN OPPOSITION by
Distillerie Stock U.S.A. Ltd. to application No. 1,061,943
for the trade-mark ROYAL STOCK CANADIAN CELLARS
filed by Maple Leaf Distillers Inc.**

On June 6, 2000, the applicant, Maple Leaf Distillers Inc., filed an application to register the trade-mark ROYAL STOCK CANADIAN CELLARS. The application is based upon proposed use of the trade-mark in Canada in association with rye whiskey. The applicant has disclaimed the right to the exclusive use of the word CANADIAN apart from the trade-mark.

The application was advertised for opposition purposes in the Trade-marks Journal of January 2, 2002. On May 6, 2002, the opponent, Distillerie Stock U.S.A. Inc., filed a statement of opposition against the application. The applicant filed and served a counter statement.

As rule 41 evidence, the opponent filed the affidavits of David J. Morel and Jennifer Leah Stecyk. The applicant filed the affidavit of Theresa Roy as rule 42 evidence.

Written arguments were filed by both parties. An oral hearing was not requested.

Grounds of Opposition

Four grounds of opposition have been pleaded:

- 1. the applied-for mark is not registrable pursuant to paragraph 12(1)(d) of the *Trade-marks Act* because it is confusing with STOCK registered under Nos. 167,477 and 321,560;**

2. the applicant is not the person entitled to register the mark because, at the date of filing of the application, ROYAL STOCK CANADIAN CELLARS was confusing with the mark STOCK that had been previously used by the opponent in Canada in association with alcoholic beverages namely wines, brandy, cordials and liqueurs;
3. the applied-for mark is not registrable pursuant to paragraph 12(1)(e) of the *Trade-marks Act* because the adoption and/or use of the said trade-mark is prohibited by subsection 9(1)(d) of the Act. More particularly, the trade-mark ROYAL STOCK CANADIAN CELLARS, by virtue of the inclusion of the element ROYAL, is likely to lead to the belief that the wares in association with which it is used have received, or are produced, or sold under royal, vice-royal or governmental patronage, approval or authority; and
4. the applied-for mark is not distinctive of the applicant because it does not distinguish, nor is it adapted to distinguish, the wares of the applicant from the wares of others, including the opponent.

Onus

Although 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*, there is an initial 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*, 30 C.P.R. (3d) 293 at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

Material Dates

The material dates with respect to the grounds of opposition are as follows: paragraph 12(1)(d) - 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.)]; paragraph 12(1)(e) - the date of my decision [see *Allied Corporation v. Canadian Olympic Association*, 28 C.P.R. (3d) 161 (F.C.A.) and *Olympus Optical Company Limited v. Canadian Olympic Association*, 38 C.P.R. (3d) 1

(F.C.A.); paragraph 16(3)(a) - the date of filing of the application; non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.) at 324].

Opponent's Evidence

Stecyk Affidavit

Ms. Stecyk, a trade-mark searcher, provides a number of dictionary definitions for the word “royal”. For example, Funk & Wagnalls Canadian College dictionary defines “royal” as 1. pertaining to a monarch; kingly, 2. under the patronage or authority of a king, or connected with a monarchical form of governor, 3. like or befitting a king; regal;, 4. of superior quality or size, 5. *informal* extraordinarily good, large, impressive, etc.

She also provides copies of Canadian trade-mark registrations Nos. 167,477 and 321,560. Each of these registrations is for the trade-mark STOCK for use in association with wines, brandies and liqueurs/cordials. The first registration issued based upon making known of the trade-mark in Canada since at least as early as 1947 or 1948, depending on the wares. The second registration issued based upon use of the mark in Canada since at least as early as 1965 with respect to wines, 1968 with respect to brandy, and 1975 with respect to cordials.

Morel Affidavit

Mr. Morel, the opponent's President, provides a history of the STOCK trade-mark dating back to Italy in 1884 when brandy was introduced under the trade-mark STOCK '84.

Mr. Morel states that the STOCK trade-mark has been made known in Canada since 1947/48, but he does not provide any evidence in support of this conclusion.

Mr. Morel also states that his company, or a licensee, has continuously used the trade-mark in Canada in association with wines (since 1965), brandy (since 1968), and cordials (since 1975). More than a million bottles of STOCK product were sold by the opponent in Canada in each of the years 2001 and 2002, corresponding to more than 13 million dollars of retail sales each year.

Mr. Morel provides packaging and labels, which he says appear on STOCK bottles sold in Canada. None of these bear the opponent's name; the only name that appears is Stock S.p.A., which is identified as the producer and bottler.

Mr. Morel also provides various advertising materials, but none of these bear any corporate name. He states that in each of 1998 and 1999, approximately \$200,000 CDN was spent by his company promoting STOCK products in Canada.

Mr. Morel provides pages from his company's website. These pages outline the history of the STOCK product beginning in 1884. They also indicate that the opponent was incorporated in 1946 and that it is today "the exclusive United States agent for", *inter alia*, STOCK vermouth and STOCK '84 brandy.

In addition, Mr. Morel provides details about the use, registration and promotion of the STOCK trade-mark worldwide.

Applicant's Evidence

Roy Affidavit

Ms. Roy, a lawyer, provides evidence of various third party usage of the words “royal” (or variations thereof) or “stock” in association with alcoholic beverages sold or promoted in Canada. With respect to “royal”, the evidence includes the following products:

1. Chambord Royale liqueur
2. Crown Royal whisky
3. Royal Reserve whisky
4. Lemon Hart Royal Rum
5. Saint James Royal Ambre rum
6. Chablis Champs Royaux wine
7. Pommery Brut Royal champagne
8. Royal Extra Stout beer
9. Glenury Royal Highlands scotch whisky
10. Algonquin Royal Amber Lager beer
11. Maciera Royal Old brandy
12. Royal Cuvee sparkling wine
13. Royal Extra Stout
14. Café Royal liqueur
15. Chivas Royal Salute scotch
16. Nassau Royale liqueur
17. Royal de Neuville rose petillant
18. Royal DeMaria icewine

With respect to “stock”, there is evidence of the following products:

1. Adams Private Stock whisky
2. Cartier Private Stock fortified wine
3. Molson Stock beer
4. O’Keefe Extra Old Stock malt liquor

Ms. Roy also conducted searches of the Canadian Trade-marks Register, which revealed registrations for LOX STOCK & BAGEL Design for beer, wine and spirits, TEN-PENNY OLD STOCK ALE & Design for brewed alcoholic beverages, BLENDED OLD STOCK ALE &

Design for ale, CALGARY STOCK ALE & Design for alcoholic brewery beverages, and EXTRA STOCK LL & Design for malt liquor, as well as almost 20 additional marks comprising the word ROYAL for alcoholic beverages.

She also provides dictionary definitions for the word “stock”. Although “stock” has many meanings, none of them relates specifically to alcoholic beverages.

Paragraph 12(1)(d) Grounds of Opposition

The first ground of opposition pleads that ROYAL STOCK CANADIAN CELLARS is confusing with the opponent’s registered trade-mark STOCK, which is the subject of two Canadian trade-mark registrations, Nos. 167,477 and 321,560.

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 relevant factor may vary, depending on the circumstances [see *Clorox Co. v. Sears Canada Inc.* (1992), 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.)].

According to the opponent's website, STOCK was the surname of the creator of STOCK brandy. As evidenced by the dictionary extracts, STOCK has many meanings, but none of them is particularly related to alcoholic beverages. "A supply of goods... for sale" is the meaning that is most applicable.

Neither of the marks has a great degree of inherent distinctiveness. As there is no evidence that the applicant's mark has been used or promoted, it has not acquired any distinctiveness. Although there has been both use and promotion of the opponent's mark, I cannot conclude that STOCK has acquired distinctiveness in the hands of the opponent since the evidence shows use by another party.

There has been lengthy use of the opponent's mark in Canada. However, I accord little weight to this factor since such use does not appear to have been by the opponent.

The parties' wares are of the same general class, namely alcoholic beverages. There is some evidence that they might not be sold side-by-side in stores, but I do not consider that to be a significant difference in their channels of trade. Both would be sold to the public through similar retail outlets, or through restaurants and bars.

There is not a great degree of resemblance between the marks. Although the applicant's mark incorporates the opponent's mark in its entirety, the word "stock" is not a dominant component of the applicant's mark. Visually and aurally, the marks are significantly different; the applicant's mark comprises four words whereas the opponent's mark is a single word. The first

component of a mark is typically considered more important for the purpose of distinction, and these two marks do not share a common beginning. [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]

In idea suggested, the applicant's mark suggests that this is a special (royal) supply (stock) of aged (cellars) Canadian whiskey. I am not sure if the average consumer would relate to STOCK as a surname and therefore am not certain what idea is suggested by the opponent's trade-mark. If any, perhaps it is that this is the brandy etc. that is "in stock".

A further surrounding circumstance is the state of the register and state of the marketplace evidence provided by Ms. Roy. The opponent makes the following submissions regarding this evidence in its written argument:

"Despite extensively searching the marketplace in Ontario and Manitoba, the Applicant was able to find only limited evidence of use of the word STOCK in association with alcoholic beverages, namely whiskey, wine, beer and brandy."

"The Roy affidavit does not provide any information with respect to the qualifications of the affiant to conduct computer searches or any information with respect to the contents of the website searched and the sources of the information posted on the website."

"Trade-mark searches conducted to identify trade-marks containing the element STOCK as applied to wares including the term "alcoholic" or "liquor" revealed only a very limited number of marks. The two searches combined located only fourteen (14) pertinent trade-marks. Of these search results, eight (8) of the registrations are owned by Molson Canada and five (5) of the registrations are for variations of the trade-mark MOLSON STOCK ALE."

However, even if I were to disregard the state of the register evidence filed by Ms. Roy, her marketplace evidence shows that at least three other companies have incorporated the word "stock" into the names of their alcoholic beverages.

Having considered all of the surrounding circumstances, I conclude that on a balance of probabilities there is not a reasonable likelihood of confusion between the marks. Although the STOCK mark has been used and promoted longer than the applicant's mark, with similar wares, these factors do not assist the opponent since it appears that another entity would be perceived as the owner of the STOCK mark. Moreover, the differences between the two marks are more than sufficient to make confusion unlikely.

Paragraph 12(1)(e) Ground of Opposition

The applicant relies on *Charles Yeates & Co. Ltd. v. Independent Grocers' Alliance Distributing Co. Ltd.* (1961), 37 C.P.R. 173 in support of its statement that the word "ROYAL" in a trademark is common and does not indicate a connection with the sovereign or royal patronage. In particular it points to page 184 of the decision, where the Exchequer Court said:

The first objection to the plaintiff's registration advanced by counsel for the defendant was that "Royal" is a purely laudatory epithet registration of which was contrary to the principle applied in the *Hardie* case and that, in any event, "Royal" is a descriptive word, registration of which was contrary to s. 26(1)(c) except upon an application pursuant to s. 29, which was not made.

The word "Royal" has a variety of meanings and senses which depend on the context in which it is used. In some usages, it refers to some association or connection with the sovereign, in others to royal patronage, and in still others it appears to be simply a name, as when applied to a sail or a mortar or part of an antler. On the other hand, the Shorter Oxford Dictionary also gives among its meanings those of befitting, appropriate to, a sovereign, stately, magnificent, splendid, noble, first-rate. When used in this sense, "royal" is undoubtedly a laudatory adjective. To my mind, however, this is not a common but an infrequent usage of the word except in certain expressions such as "a royal welcome", and in this sense one rarely, if ever, finds this word chosen to praise or describe the quality of goods. Notwithstanding the statements by some of the witnesses that to them "Royal" on a product signified a good product, in my opinion, when the word "Royal" alone is used in this country in association with goods, and

particularly goods such as ice cream and other dairy products, it is not used as an adjective and is not generally regarded as an adjective. It indicates neither connection with the sovereign nor royal patronage, nor does it impress me as referring to the quality of the goods. It is only when one's mind dwells at length on what it could mean that a possible reference to quality suggests itself. As applied to goods, I would accordingly not regard "royal" as a common laudatory epithet which cannot on the principle applied in the *Hardie* case become registrable as a trade mark. Nor for the same reasons do I think "royal" is "clearly descriptive or misdescriptive" of the quality of the goods so as to fall within the prohibition of s. 26(1)(f) of the *Unfair Competition Act*.

It is noted of course that the Exchequer Court was not dealing with paragraph 12(1)(e) of the present Act.

Nevertheless, I agree that the trade-mark at hand is not prohibited by paragraph 9(1)(d), which is reproduced below:

9. (1) No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for...

(d) any word or symbol likely to lead to the belief that the wares or services in association with which it is used have received, or are produced, sold or performed under, royal, vice-regal or governmental patronage, approval or authority;

The words "consisting of" in subsection 9(1) have been interpreted by Mr. Justice O'Keefe in *Canadian Council for Professional Engineers v. APA – The Engineered Wood Association*, 7 C.P.R. (4th) 239 at 259 as meaning "identical to". There is no evidence that the identical phrase ROYAL STOCK CANADIAN CELLARS indicates that the wares have received, or are produced, sold or performed under, royal, vice-regal or governmental patronage, approval or authority. Therefore the question becomes whether ROYAL STOCK CANADIAN CELLARS so nearly resembles a word likely to lead to the belief that the wares have received, or are produced,

sold or performed under, royal, vice-regal or governmental patronage, approval or authority. Presumably the word in question is “royal”. Given the plethora of other marks that use the word “royal” and the multiple dictionary meanings of the word “royal”, I conclude that the word “royal” does not of itself lead to the belief that wares have received, or are produced, sold or performed under, royal, vice-regal or governmental patronage, approval or authority. In the event that I am wrong with respect to this conclusion, I would nevertheless conclude that ROYAL STOCK CANADIAN CELLARS does not sufficiently resemble ROYAL to invoke the prohibition in paragraph 9(1)(d).

Paragraph 16(3)(a) Ground of Opposition

The opponent has not met its evidential burden with respect to this ground, i.e. it has not satisfied me that the opponent itself used STOCK prior to the filing date of June 6, 2000. I reach this conclusion because the evidence shows that a third party’s name appears on the STOCK labels. This ground therefore fails.

Distinctiveness Ground of Opposition

I interpret the fourth ground of opposition as pleading that the applicant’s mark is not adapted to distinguish the applicant’s wares from the opponent’s wares because the applicant’s mark is confusing with the opponent’s mark. Therefore this ground of opposition fails for the same reasons that the first ground of opposition failed. In the circumstances of this case, nothing turns on the date at which the issue of confusion is determined.

Disposition

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

DATED AT TORONTO, ONTARIO, THIS 1st DAY OF JUNE 2005.

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