

IN THE MATTER OF AN OPPOSITION
by Corby Distilleries Limited/Les Distilleries Corby Limitée
to application No. 601,902
for the mark IRON DUKE
filed by Wellington County Brewery Limited

On March 1, 1988, the applicant, Wellington County Brewery Limited, filed an application to register the mark IRON DUKE for the wares "brewed alcoholic beverages" based on use of the mark "since at least as early as November, 1986."

The mark was advertised for opposition purposes on August 31, 1988 and opposed by Corby Distilleries Limited/Les Distilleries Corby Limitée on December 30, 1988. A copy of the statement of opposition was forwarded to the applicant on January 30, 1989.

The grounds of opposition are that the applied for mark is not registrable and not distinctive, and that the applicant is not the person entitled to registration, because the mark IRON DUKE is confusing with the opponent's registered mark GRAND DUKE, regn. No. 104,395, and confusing with the opponent's two registered design marks namely, GRAND DUKE VODKA & Design (illustrated below) previously used in Canada by the opponent.

Regn. No. 173,174

Regn. No. 215,663

A fourth ground of opposition "denies each and every allegation contained in the Applicant's application..." Presumably, the opponent is alleging that the application is not in compliance with Section 30 of the Trade-marks Act. However, as there is no allegation in the statement of opposition which refers to any of the specific requirements of Section 30, I consider that the above

pleading is too vague and imprecise to enable the applicant to reply to it. I have therefore disregarded the fourth ground of opposition because it is not in compliance with Section 38(3)(a).

The opponent requested leave to amend its statement of opposition, and was granted leave at least with respect to some of the amendments sought. However, the opponent defaulted in filing an amended statement: see the Board rulings dated December 31, 1991 and May 12, 1992. Accordingly, the statement of opposition of record is the initial statement that was filed on December 30, 1988, and the relevant grounds of opposition are as summarized above.

The applicant served and filed a counter statement generally denying the grounds of opposition.

The opponent's evidence consists of the affidavits of Daniel P. O'Brien, Vice-President, Marketing Development of the opponent company, and Jane Burnell-Jones, secretary.

The applicant's evidence consists of the affidavits of Philip R. Gosling, President of the applicant company, and Brigitte Fouillade, student-at-law.

Mr. O'Brien, Mr. Gosling, and Ms. Fouillade were cross-examined on their affidavits, and the transcripts thereof form part of the record herein. Additionally, answers to undertakings (two) given at Ms. Fouillade's cross-examination form part of the record. Mr. O'Brien refused to answer some questions at cross-examination; however, the negative inferences that I have drawn concerning his refusals are not significant factors affecting the final outcome of this proceeding.

Both parties filed written arguments and both were ably represented at an oral hearing.

Mr. O'Brien's evidence establishes that the opponent has been using its mark GRAND DUKE in association with vodka since 1955. The opponent sells vodka under the mark GRAND DUKE in 375 ml, 750 mL, 1.14 mL, and 1.75 mL bottle sizes. The opponent's volume of sales for GRAND DUKE vodka averaged about 350,000 bottles (more precisely, a volume equivalent to that number of 750 mL size bottles) for each of the years 1983 to 1988 inclusive, while sales in 1989 rose to 410,952 bottles. Advertising expenditures promoting the opponent's GRAND DUKE vodka averaged about \$33,000 for each of the years 1983 to 1987 inclusive, rising to about \$142,000 for the years 1988 and 1989. The opponent sells its vodka primarily through provincial liquor boards. The opponent is a distiller and does not produce brewed alcoholic beverages: see page 13 of Mr. O'Brien's transcript of cross-examination.

A good deal of Mr. O'Brien's cross-examination focused on labels appearing on bottles of the opponent's vodka, and on the unique design of the bottle itself. The mark GRAND DUKE appears quite prominently on the label, while other prominent elements on the label, such as a red sash and a double eagle design, are intended to convey the idea of "an authentic Russian heritage." The opponent's marketing strategy is to connect its GRAND DUKE vodka with Russia since the public associates vodka with Russia: see page 18 of Mr. O'Brien's transcript of cross-examination. The term "grand duke" means the son of a Russian czar (see the dictionary definition attached as exhibit B to the Burnell-Jones affidavit), however, I am doubtful that the general public would be familiar with that precise meaning for the term "grand duke". The opponent is not alone in employing trade-marks for vodka, and eagle designs on labels for vodka, calculated to suggest a connection to Russia: see for example, the marks PRINCE IGOR, RUSSIAN PRINCE, POPOV, and SMIRNOFF referred to in paragraph 11 of the Fouillade affidavit.

Mr. Gosling's evidence is that the applicant is a

"microbrewery" located in Ontario. A microbrewery produces 50,000 hectolitres, or less, annually (a hectolitre is 100 litres). The applicant began to market ale under the mark IRON DUKE in November of 1986. Sales in one litre bottles account for 90% of the applicant's sales, and the remaining 10% of sales is keg draught. The applicant's actual volume of sales under the mark IRON DUKE is not explicit in the evidence. The only mention of the applicant's actual volume of production is in paragraph 2 of Mr. Gosling's affidavit where he states that the "current annual production [as of December, 1990] is 10,000 hectolitres." Most of the applicant's sales are to the Brewers Retail System in Ontario, although there are some sales to taverns. In 1986 the applicant's largest selling ale was under the WELLINGTON COUNTY ALE label, which is a registered mark (illustrated below) of the applicant. The word WELLINGTON has always appeared in a prominent fashion on labels for all of the applicant's products, while the mark IRON DUKE appears in a subsidiary role: see the IRON DUKE label illustrated below, and see pages 9-11 of Mr. Gosling's transcript of cross-examination.

Regn. No. 373,670

IRON DUKE label

The applicant's evidence is that the Duke of Wellington, who is renowned for defeating Napoleon at the Battle of Waterloo, is also known as "The Iron Duke". Part of the applicant's marketing strategy is to connect its IRON DUKE ale product with the Duke of Wellington, a name that, in the applicant's view, "is very much alive...a very well-known name...a living legend..." : see page 21

of Mr. Gosling's transcript of cross-examination.

The essential issue in this proceeding is whether the applied for mark IRON DUKE is confusing with the opponent's word mark GRAND DUKE. If it is not confusing with the mark GRAND DUKE, then it is not confusing with the opponent's design marks (Regn. Nos. 173,174 and 215,663).

The legal burden is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark IRON DUKE and the opponent's mark GRAND DUKE. In determining whether there would be a reasonable likelihood of confusion, I am to have regard to all the surrounding circumstances, including those enumerated in Section 6(5). The presence of a legal burden on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, the issue must be decided against the applicant: see John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.)

The material dates in this proceeding are (a) the date of my decision, with respect to the ground of opposition alleging that the applied for mark is not registrable, (b) the date of first use claimed by the applicant in its application namely, November 30, 1986, with respect to the ground of opposition alleging that the applicant is not the person entitled to registration, and (c) the date of opposition namely December 30, 1988 with respect to the ground of opposition alleging that the applied for mark is not distinctive. I will begin by considering the issue of confusion at the earliest material date namely November 30, 1986, when the applicant began to market its ale under the mark IRON DUKE.

With respect to Section 6(5)(a), the opponent's mark GRAND DUKE is inherently distinctive since it has no meaning associated with vodka. However, the inherent distinctiveness of the mark is

lessened to some extent because the word "grand" has a laudatory connotation, and because the public would be familiar, at least to some extent, with royal titles as components of trade-marks for vodka, for example, PRINCE IGOR and RUSSIAN PRINCE. In my view, the applicant's mark IRON DUKE is somewhat more inherently distinctive than the opponent's mark, since the phrase "iron duke" consists of an unlikely combination of words. Further, I am doubtful whether the average Canadian purchaser of alcoholic beverages would connect the term "iron duke" with the Duke of Wellington.

I infer that the public would have been familiar to a fair extent with the opponent's mark GRAND DUKE for vodka, at the material date November 30, 1986, based on the opponent's evidence of sales and advertising for the period 1983 to 1986. During that period, the opponent sold about 1.4 million bottles of vodka under its mark GRAND DUKE, and expended about \$132,000 on advertising and promotion. The applicant's mark IRON DUKE would not have been known to any extent at the material time.

With respect to Section 6(5)(b), the opponent has established use of its mark GRAND DUKE since 1955. The length of time that the marks in issue have been in use therefore favours the opponent.

With respect to Sections 6(5)(c) and (d), the applicant's wares namely, brewed alcoholic beverages are different than the opponent's wares namely, vodka; however, both products fall within the general category of alcoholic beverages. There is potential for overlap in the parties' channels of trade since beer, wine and spirits are all products of one industry: see Anheuser-Busch, Inc. v. T. G. Bright & Co. (1993), 48 C.P.R.(3d) 253 at 255 (TMOB).

With respect to Section 6(5)(e), there is necessarily some resemblance between the marks owing to the component "duke" common to both marks. Ordinarily, it is the first portion of a

mark that is the most important for the purposes of distinguishing between marks because the first portion is usually more dominant and more easily remembered. However, in the instant case, the first portions of the marks namely "iron" and "grand" function as adjectives. In my view, it is the component DUKE that is the more emphasized and the more easily remembered component of the marks in issue.

The fact that the parties attempt to convey different messages to the public about their products, by employing different indicia on product labels, does not assist the applicant as there is nothing to prevent that situation from changing. *It is the effect of the trade-marks and not of the bottles or labels that must be considered...Neither the bottle nor the label is part of the trade-mark: see British Drug Houses Ltd. v. Battle Pharmaceuticals (1944), 4 C.P.R. 48 at 55 (Ex. C.); see also Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 11 (F.C.A.)* where the Court held that the style of lettering, the colouring of signs, and the appearances of the marks as actually used are irrelevant considerations for the issue of confusion.

The applicant evidenced a state of the register search for trade-marks, covering alcoholic beverages, which are comprised of the component DUKE (see paragraph 12 of Ms. Fouillade's affidavit). That evidence does not assist the applicant as too few registrations were located to allow me to infer common adoption of the word DUKE as a component of trade-marks in the alcohol industry.

In view of the above, and keeping in mind that the test for confusion is one of first impression and imperfect recollection, I am not satisfied that the applicant has met the legal burden on it to show that, on the balance of probabilities, there would not be a reasonable likelihood of confusion between the mark IRON DUKE, applied to brewed alcoholic beverages, and the mark GRAND DUKE,

applied to vodka. It follows that the opponent has succeeded in showing that the applicant is not entitled to register the mark IRON DUKE. Consequently, I need not consider the remaining grounds of opposition.

In view of the above, the applicant's application is refused.

DATED AT HULL, QUEBEC, THIS 29th DAY OF December, 1993.

Myer Herzig,
Member,
Trade-marks Opposition Board