

**IN THE MATTER OF AN OPPOSITION
by Companhia Muller de Bebidas to
application No. 1,246,045 for the trade-
mark CACHAÇA 61 A NOSSA ALEGRIA
& Design filed by Missiato Industria e
Comercio Ltda.**

On January 31, 2005, Missiato Industria e Comercio Ltda. (the “Applicant”) filed an application to register the trade-mark CACHAÇA 61 A NOSSA ALEGRIA & Design (the “Mark”) as shown below



based upon proposed use in Canada in association with wares which currently read:

Cachaca, brandy, anise, anisette, cider, gin, mint, rum, sake, whiskey, wine and vodka.

The application was advertised for opposition purposes in the *Trade-marks Journal* dated June 7, 2006. I note that the Applicant has disclaimed the right to the exclusive use of all the reading matter except for the numeral “61” and the phrase “a nossa alegria”.

On July 13, 2006, Companhia Muller de Bebidas (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement, in which it denied the Opponent’s allegations.

Pursuant to rule 41 of the *Trade-marks Regulations* (the “Regulations”), the Opponent filed as its evidence a certified copy of registration number TMA645,814 and the affidavit of Ricardo Gonçalves together with Exhibits RG-1 to RG-5 in support thereof. The Applicant elected to not file evidence pursuant to rule 42 of the Regulations and did not cross-examine Mr. Gonçalves. Neither party filed a written argument. Only the Opponent requested and was present at a hearing.

Grounds of Opposition

Although several grounds of opposition have been pleaded in the statement of opposition, during the hearing, counsel for the Opponent focused her submissions with respect to the grounds which essentially turn on the issue of confusion. I in turn, will focus my discussion with respect to those specific grounds of opposition.

Ground of Opposition based on s. 12(1)(d)

The Opponent bases its opposition on s.38(2)(b) and s.12(1)(d) of the *Trade-marks Act*, R.C.S. 1985, c. T-13 (the “Act”) alleging that the Mark is confusing with registered trade-marks owned by the Opponent, namely, TMA645,814 and TMA505,763.

I am of the opinion that the Opponent’s strongest case respecting this ground is in relation to the Opponent’s registration number TMA645, 814, for the trade-mark CACHAÇA 51 & Design (show below) covering distilled spirits made from sugar cane, namely cachaça. I will therefore focus my discussion on that one mark unless indicated otherwise.



The material date that applies to this ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

The Opponent's initial burden with respect to this ground has been satisfied as registration number TMA645,814 is in good standing.

The test for confusion

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 associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares are of the same general class. 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.

The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decisions in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

The Mark is somewhat distinctive owing to its design features. The inherent distinctiveness of the Mark is lessened however, firstly because the word portion CACHAÇA is the name of the wares and secondly because the other feature of the Mark is a number. Jurisprudence has established that numbers, when employed in a trade-mark context, are not considered to be inherently distinctive [*GSW Ltd. v. Great West Steel Industries Ltd. et al.* (1975), 22 C.P.R. (2d) 154].

Likewise, the Opponent's trade-mark is somewhat distinctive due to its design features. For the reasons alluded to above regarding the Mark, the inherent distinctiveness of the Opponent's trade-mark is also lessened, as the word portion is the name of the wares and the number 51 is not inherently distinctive.

Both parties' trade-marks therefore, hold limited inherent distinctiveness.

Nevertheless, the strength of a trade-mark may be increased by means of it becoming known through promotion or use. In this respect, the Opponent has established use of its mark in Canada through the affidavit of Ricardo Gonçalves. It is recalled that Mr. Gonçalves was not cross-examined on his affidavit.

Mr. Gonçalves indicates that he is the Superintendent Director of Companhia Muller de Bebidas and as such he has access to all the relevant documents and information pertaining thereto.

Mr. Gonçalves attests to the use by the Opponent of the trade-mark CACHAÇA 51 & Design in

Canada since September 25, 1998. He explains that since September 1998, the CACHAÇA 51 & Design trade-mark has been continuously affixed on all wares produced and sold by the Opponent, and appends to his affidavit Exhibit RG-2 illustrating a typical label used by the Opponent on its products. Exhibit RG-4 shows advertisements featuring the CACHAÇA 51 & Design trade-mark in Magazine Drinks International, which he attests is in circulation in Canada. He further states that the Opponent exports its products bearing the CACHAÇA 51 & Design trade-mark in more than 40 countries including Canada. Mr. Gonçalves provides sales figures in Canada from 2001 to 2003 and for the year 2006, which on average represents approximately \$10,000 per year. To corroborate these sales, Mr. Gonçalves appends to his affidavit invoices dated between 2001 and 2006 clearly detailing sales of CACHAÇA 51 in Canada.

Based on the foregoing, I conclude that the Opponent's trade-mark has become known to some extent in Canada.

By way of contrast, the Applicant's application is based on proposed use in Canada, and as the Applicant has elected not to file any evidence of use since the filing of the application, I conclude that the Applicant's mark has not become known at all in Canada.

s. 6(5)(b) - the length of time each trade-mark has been in use

The Opponent has used its mark in Canada since September 1998, whereas the Applicant has not shown any use of its Mark. This factor clearly favours the Opponent.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

When considering the wares, services and trades of the parties, it is the statement of wares in the parties' trade-mark application and registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [*Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

The Applicant's wares are listed as follows: cachaca, brandy, anise, anisette, cider, gin, mint, rum, sake, whiskey, wine and vodka. The Opponent's registration covers distilled spirits made from sugar cane, namely cachaça.

Both parties' wares overlap since they fall within the general category of alcoholic beverages, and are identical with respect to the distilled spirit, cachaça.

With respect to the channels of trade, the Opponent's wares are sold in Canada through Provincial Liquor Control Boards (Exhibit RG-3 of the Gonçalves affidavit). The Applicant's wares are also alcoholic beverages and in the absence of any evidence to the contrary, I will presume that they will potentially share the same channels of trade.

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

The next consideration is the degree of resemblance between the marks, which has been found to be the most crucial or dominant factor in determining the issue of confusion [*Effem Foods Ltd. v. Export/Import Clic Inc.* (1993), 53 C.P.R. (3d) 200 (F.C.T.D.) *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980)), 47 C.P.R. (2d) 145 F.C.A.].

I consider the marks have a strong degree of resemblance in appearance, sound and ideas suggested by them for the following reasons.

In terms of appearance, I consider the marks each possess two dominant features: 1) the word CACHAÇA and 2) their respective numerals 51 and 61. Although the Applicant's Mark does include the words "a nossa alegria" shown on a banner, I do not consider that this portion of the Mark would catch the consumer's attention due to the fact that it is in a much smaller font overshadowed by the prominent word CACHAÇA and the imposing numeral 61.

Noticeably similar, is the positioning of the word CACHAÇA and the numerals on the respective marks. The word CACHAÇA on both marks is featured at the top center portion of the labels. It therefore can be said to be the first word in the trade-marks. In this regard, the first word of a trade-mark is the most relevant for purposes of distinction. In *Conde Nast Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) Cattnach J. said at p. 188:

... It is axiomatic that the first word or the first syllable in a trade mark is far the most important for the purpose of distinction. Here the first and most important word in the mark which the respondent seeks to register is identical to the mark registered by the appellant.

I also note that the number 51 of the Opponent's trade-mark and 61 of the Applicant's Mark are also positioned similarly on the labels, featured prominently in the center of the respective marks.

When spoken, presumably the marks would be sounded, Cachaça 51 and Cachaça 61.

Both marks suggest the same idea in that they describe the distilled spirit namely, cachaça.

For all of the above reasons, I consider the degree of resemblance in appearance, sound and ideas suggested by the trade-marks at issue to be significant.

conclusion re likelihood of confusion

I have borne in mind that the marks are to be considered in their totality and not dissected.

The issue is whether a consumer who has a general and not precise recollection of the Opponent's trade-mark, will, upon seeing the Applicant's Mark, be likely to think that the related wares share a common source.

In this respect, the Supreme Court of Canada in *Mattel Inc.*, *supra* delineates this point:

[58] A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal: *General Motors Corp. v. Bellows*, [1949] S.C.R. 678 (S.C.C.). In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, though of average intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details. (...) To those mythical consumers, the existence of trade-marks or brands make shopping decisions faster and easier. The law recognizes that at the time the new trade-mark catches their eye, they will have only a general and not very precise recollection of the earlier trade-mark, famous though it may be or, as stated in *Pepsi-Cola Co. v. Coca-Cola Co.*, [1942] 2 D.L.R. 657 (Canada P.C.), "as it would be remembered by persons possessed of an average memory with its usual imperfections" (p. 661). The standard is not that of people "who never notice anything" but of persons who take no more than "ordinary care to observe that which is staring them in the face": *Coombe v. Mendit Ltd.* (1913), 30 R.P.C. 709 (Eng. Ch. Div.), at 717. However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.

Applying these principles to the facts of this case, the issue is whether a consumer, who has a general and not precise recollection of the Opponent's trade-mark CACHAÇA 51 & Design for alcoholic beverages, will, upon seeing the Applicant's Mark CACHAÇA 61 & Design for similar products, be likely to think that the two products share a common source.

Given my analysis above and having had regard to all the surrounding circumstances I conclude that this would be the case, particularly in view of the potential for overlap between the parties' wares and their channels of trade and in view of the high degree of resemblance between the parties' marks.

I have also considered that if there is doubt whether the registration of a trade mark would cause confusion with a prior mark, the doubt must be resolved against the newcomer [*Conde Nast Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C. T.D.)].

I therefore conclude that the Applicant has not discharged its legal onus of showing on a balance of probabilities that the Mark would not be confusing with the Opponent's trade-mark. The ground of opposition based on s. 12(1)(d) of the Act is therefore successful.

Ground of Opposition based on s. 16(3)(a)

The Opponent has also pleaded that the Applicant is not the person entitled to registration pursuant to s. 38(2)(c) and s. 16(3)(a) of the Act, on the basis that the Mark is confusing with the trade-marks that had been previously used or made known in Canada by the Opponent.

The Opponent has met its initial onus of proving that the trade-mark CACHAÇA 51 & Design in support of this ground was being used at the material date namely at the filing date of the application (January 31, 2005) and had not been abandoned at the date of advertisement of the application (June 7, 2006) (s. 16(5) of the Act).

My findings above with respect to confusion are, for the most part, applicable to this ground of opposition. This ground of opposition is therefore successful.

In view of the above, as the Opponent is successful on the bases of two grounds of opposition, it is unnecessary to consider the remaining grounds of opposition.

In view of the foregoing, I refuse the Applicant's application.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application pursuant to s. 38(8).

DATED AT GATINEAU QUÉBEC, THIS 4th DAY OF APRIL 2009.

Lynne Pelletier
Member
Trade-marks Opposition Board