



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

Citation: 2011 TMOB 67
Date of Decision: 2011-04-20

**IN THE MATTER OF AN OPPOSITION
by Havana Rum & Liquors, S.A. and
Corporacion Cuba Ron, S.A. 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 Rum & Liquors S.A. and Corporacion Cuba Ron, S.A. (the “Opponent”) filed on February 6, 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 chose not to file any evidence while the Applicant filed the affidavit of Claudio I. Alvarez Salazar dated August 20, 2008.

[6] Both parties filed written arguments and only the Applicant was 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 deceptively misdescriptive in French or English of:
 - a) The character and quality of the Wares and Services, and the place of origin of the Wares. In this regard the Opponent affirms that Cuba, being located in the Caribbean, is well-known for the production of spirits, particularly rum. As such, the Opponent submits that the average consumer would naturally understand, believe or assume, as a matter of first impression when faced with the word CUBA

- appearing in association with the Wares, which is the only non-foreign word in the Mark, that the Wares of the Applicant, emanate from Cuba when they in fact do not, and/or are manufactured in Cuba when they in fact are not, since the Applicant is located outside of Cuba, and there is nothing in the statement of wares or services to indicate that the rum and other wares are indeed produced or manufactured in Cuba;
- b) The word CUBA is equally deceptively misdescriptive in association with the Services, as it deceptively misdescribes that the alcoholic beverages which are being promoted are from Cuba, and that the alcoholic beverages being sold at retail are from Cuba, when they in fact are not.
2. The Mark is not registrable since it is contrary to s. 12(1)(e) of the Act, in that the word Cuba is likely to lead to the belief that the Wares have received, or are produced under governmental patronage, approval or authority when in fact, they are not. The Opponent submits that this is reinforced by the fact that it is a well-known fact that Cuba is a socialist/communist state where the production of goods and exports are under strict government control and approval.
3. The Applicant is not entitled to the registration in that:
- a) The application does not comply with s. 30(e) of the Act in that the Applicant had no intention to use the Mark in Canada with the Wares and Services. In particular, the services listed as “promoting the sale of alcoholic beverages and non-alcoholic cocktails” will be promotional activities for the benefit of the Applicant and ancillary to the sale of the Applicant’s wares, and thus, would not be used in the normal course of trade as prescribed by s. 4 of the Act;
- b) The application does not comply with s. 30(a) of the Act in that the services listed as “promoting the sale of alcoholic beverages and non-alcoholic cocktails” cannot legitimately be included in the statement of services, as the Applicant does not offer marketing and advertising services for others, but merely promotes the sale of its own products in the manners described in the application. The services described as “promoting the sale of alcoholic beverages and non-alcoholic cocktails” are therefore self-serving, meaning, they refer to self-promotion and self-marketing, and are not actual services performed for the benefit of others under the Mark.
4. Pursuant to s. 38(2)(d), the Applicant’s Mark is not distinctive because it is not capable of distinguishing the wares and supposed services of the Applicant from those of any other trade, in particular rum, nor is it adapted to distinguish them since it is deceptively misdescriptive as described above in the statement of opposition. In particular the word CUBA is both deceptively misdescriptive of the character and quality, and also deceptively misdescriptive of the place of origin, as described above in the statement of opposition, and should remain reserved for use only by legitimate traders whose rum and other allied wares and services are actually manufactured or produced in Cuba, so that they can

legitimately use such term to describe the place of origin of their wares and related services.

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].

Grounds of Opposition Summarily Dismissed

[10] The Opponent has not discharged its initial burden of proof with respect to the second and third grounds of opposition. It has not filed any factual evidence to support those grounds of opposition. As such they are dismissed.

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

[11] The relevant date for the analysis of this ground of opposition is: 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].

[12] 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

[13] 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.

[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 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 decisions of the Registrar in *Havana Club Holding S.A. v. Bacardi & Co.* 35 C.P.R. (4th) 541 and *Havana Club Holding S.A. v. Bacardi & Co.* 35 C.P.R. (4th) 559. In those decisions the Registrar concluded that the trade-marks OLD HAVANA and HAVANA SELECT respectively were deceptively misdescriptive of the place of origin of the wares (rum). Both of these decisions can be distinguished.

[17] In both of these cases, as in our situation, the evidence demonstrated that the rum was not manufactured in Cuba. However in those cases the trade-marks comprise the English laudatory words “old” and “select”. Those words did not make the trade-marks in issue, as a whole, inherently distinctive. In the present case, the Mark comprises two foreign words namely “el” and “espíritu”.

[18] 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 espíritu” may only mean “the essence or ghost”.

[19] The Opponent cited 3 cases in its written argument to support its contention that the trade-mark should not be dissected into its component parts or be carefully analyzed but rather be considered in its entirety and as a matter of first impression. I agree with that proposition and I do not think it is an issue between the parties.

[20] The Opponent contends that the word “spirit” in English means “alcohol”. Therefore the Mark as whole would be deceptively misdescriptive as it would be

understood as referring to a spirit, as in an alcoholic beverage, such as rum. Since the rum does not originate from Cuba, the Mark would be deceptively misdescriptive.

[21] With all due respect for the Opponent's opinion, I do not consider the translation in English of the Mark to be a determining factor under this ground of opposition for the reasons hereinafter set forth.

[22] 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.

[23] 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 are inherently distinctive to a Canadian consumer. 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. I have no evidence that the average Canadian would understand the meaning of the Mark. The fact that the Mark comprises the word "Cuba" is not sufficient on its own in my opinion to

draw a conclusion that the Mark, as a whole, would be deceptively misdescriptive of the place of origin of the Wares and Services.

[24] All the case law cited by the Opponent to support its contention that the Mark is deceptively misdescriptive can be distinguished from our situation. In all the cases cited, the trade-mark in issue was written in English or French. It was composed of a word that could indicate the place of origin of the wares or services and other descriptive or laudatory words. In our situation the words “el” and “espíritu” are foreign words and to a Canadian consumer they are distinctive. I have no evidence that those words would be understood by the average Canadian consumer.

[25] I conclude that the Mark, as a whole, is not deceptively misdescriptive in English or French language of the place of origin of the Wares or Services. Consequently I dismiss the first ground of opposition.

Distinctiveness Grounds of Opposition

[26] The relevant date to assess this ground of opposition is the filing date of the statement of opposition (February 6, 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].

[27] The ground of opposition raises, under a different angle, the fact that the Mark is deceptively misdescriptive as the Wares and Services do not originate from Cuba.

[28] As already mentioned above, the Opponent was not present at the oral hearing. There are no representations in the Opponent’s written argument on this ground of opposition.

[29] It is difficult for me to assess a ground of opposition without the benefit of any argumentation on the part of the Opponent.

[30] I could presume that the Opponent wanted to raise a similar argument under distinctiveness as the one raised under s. 12(1)(b) of the Act. I already rejected that ground of opposition.

[31] The first two words of the Mark, namely “el” and “espíritu”, 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.

[32] For these reasons, I dismiss the last ground of opposition.

Conclusion

[33] 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