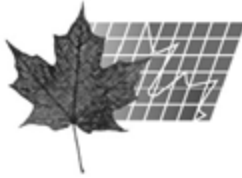


OPIC



CIPO

LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2018 TMOB 133

Date of Decision: 2018-10-31

IN THE MATTER OF OPPOSITIONS

Constellation Brands Canada, Inc.

Opponent

and

Diageo North America, Inc.

Applicant

1,590,493 for MAKE IT NAKED

Applications

**1,595,872 for DON'T WORRY
DRINK NAKED & Design**

APPLICATION NO. 1,590,493 FOR MAKE IT NAKED

[1] Diageo North America, Inc. (the Applicant) has applied to register the trade-mark MAKE IT NAKED for use in association with distilled spirits, namely rum and rum-flavoured beverages (the Goods). The application for the trade-mark MAKE IT NAKED is based on the Applicant's proposed use and use in Canada and registration in the United States. There is no evidence that use of this trade-mark has commenced in Canada.

[2] Constellation Brands Canada, Inc. (the Opponent) alleges that the application for MAKE IT NAKED is confusing with its NAKED GRAPE trade-marks for use in association with wine, wine spritzers, and icewine.

[3] The Opponent is Canada's largest producer, marketer and distributor of wines. The Opponent's NAKED GRAPE line of wines has been available since October, 2005 and from 2008-2015 yearly sales of NAKED GRAPE wines ranged between \$16-26 million in Canada and advertising expenditures have exceeded \$10 million in total during this period.

[4] Given the extent of use of the NAKED GRAPE trade-mark, the similarity of the MAKE IT NAKED and NAKED GRAPE trade-marks, and the lack of evidence of use of the MAKE IT NAKED trade-mark, I find that the Applicant has failed to prove that there is not a reasonable likelihood of confusion. As such, the application for the trade-mark MAKE IT NAKED is refused.

BACKGROUND

[5] On August 17, 2012, Diageo North America, Inc. filed an application to register the trade-mark MAKE IT NAKED (the Mark) based on proposed use and use and registration abroad. This application has a priority filing date of August 1, 2012.

[6] The application was advertised for opposition purposes in the *Trade-marks Journal* issue dated January 28, 2015.

[7] On January 29, 2015, the Opponent opposed the application on the basis of the grounds of opposition summarized below:

- (a) The application does not comply with the requirements of section 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) as the Applicant does not, by itself or through a licensee, or by itself and through a licensee, intend to use the Mark in Canada.
- (b) The application does not comply with the requirements of section 30(i) of the Act as the Applicant cannot be satisfied that it is entitled to use the Mark in Canada with the Goods because at the date of the application, the Applicant had known that the Opponent's NAKED GRAPE trade-marks were the subject of earlier filed applications resulting in registrations and were used with wines, wine spritzers and icewines.

- (c) The Mark is not registrable pursuant to section 12(1)(d) of the Act as it is confusing with one or more of the following registrations:

TMA659,543	NAKED GRAPE
TMA720,829	NAKED GRAPE & GRAPE Design
TMA795,352	NAKED GRAPE FIZZ
TMA885,729	SIMPLY NAKED

- (d) The Applicant is not the person entitled to register the Mark in view of sections 16(3)(a) of the Act since the Mark was confusing with the Opponent's trade-marks set out below:

NAKED GRAPE for wines, wine spritzers and icewines

NAKED GRAPE and Design for wine

NAKED GRAPE FIZZ for wine

- (e) The Mark is not distinctive of the Goods of the Applicant since it does not distinguish the Goods in association with which it is proposed to be used from the goods of the Opponent.

[8] The Opponent filed as its evidence pursuant to section 41 of the *Trade-marks Regulations* SOR 96/195 (the Regulations) the affidavit of Steven Bolliger sworn on January 7, 2016. A similar affidavit of Mr. Bolliger was filed in a related opposition against application No. 1,561,944 for THE NAKED TURTLE and cross-examination in that case occurred on July 8, 2014. Pursuant to the parties' agreement, the transcripts and exhibits from that cross-examination are of record in this proceeding. The Applicant did not file evidence pursuant to

section 42 of the Regulations but was granted leave pursuant to section 44 to file a certified copy of registration No. TMA885,729. The Opponent filed a written argument and both parties attended a hearing.

EVIDENTIAL BURDEN AND LEGAL ONUS

[9] Before considering the grounds of opposition, it is necessary to review some of the requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[10] With respect to (i) above, there is an evidential burden on an opponent to support the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. An evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). A legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

GROUND OF OPPOSITION

[11] I will now consider the grounds of opposition beginning with the section 12(1)(d) ground of opposition.

Section 12(1)(d) Ground of Opposition

[12] The material date for a section 12(1)(d) 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 CPR (3d) 413 (FCA)].

[13] The Opponent has pleaded that the Mark is not registrable because it is confusing with one or more of registration Nos. TMA659,543; TMA720,829; TMA795,352; and TMA885,729.

I have exercised my discretion and confirm that only the following registrations are extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]:

No.	Trade-mark	Goods
TMA659,543	NAKED GRAPE	Wines, wine spritzers, icewine
TMA720,829	NAKED GRAPE & GRAPE Design	Wines
TMA795,352	NAKED GRAPE FIZZ	Wine

Although these registrations now stand in the name of Arterra Wines Canada, Inc., as a result of an assignment that was recorded subsequent to the filing of the Opponent's evidence, this does not prevent the Opponent from relying upon these registrations in support of its section 12(1)(d) ground of opposition [*Toys R Us (Canada) Ltd v Manjel Inc*, 1992 CanLII 6998 (TMOB)].

[14] I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with one or more of the Opponent's registered trade-marks. I consider that the Opponent's best case is registration No. TMA659,543 for the trade-mark NAKED GRAPE and I will concentrate my analysis on it. If the Opponent is not successful based on this mark, then it will not be successful based on any of the other marks.

Test to Determine Confusion

[15] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely lead to the inference that the goods and services associated with those trade-marks are manufactured, sold or leased by the same person, whether or not the goods and services are of the same general class. In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the goods and

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 criteria in section 6(5) are not exhaustive and different weight will be given to each one in a context-specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[16] In *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824 at para 20, the Supreme Court of Canada set out how the test is to be applied:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark] at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

Summary of the Opponent's Evidence With Respect to Its Naked Grape Wines

[17] The Opponent filed the affidavit of Steven Bolliger, its Senior Vice-President, Marketing who has been employed by the Opponent since 1998 (para 1). The Opponent's evidence summarized below leads to the conclusion that the NAKED GRAPE brand is well known, if not famous, in Canada for wine.

- The Opponent is Canada's largest producer, marketer and distributor of wines and also produces ciders, spritzers, and coolers (paras 3,8).
- The Opponent's NAKED GRAPE line of wines has been available in Canada since at least as early as 2005 in licensed establishments and liquor stores other than in Quebec, Yukon and Nunavut (paras 5, 10, 18, Q181). In Ontario, the Opponent's products are also sold through over 160 company owned and operated WINE RACK stores and online through the website *www.winerack.com* (paras 6 and 17, Exhibit E). Between 2008-2015, the Opponent has sold between 325,000 and 650,000 9L cases of wine per year with net sales ranging from \$16-26 million CAD per year, with \$21 million CAD of sales in 2015 (para 12).

- The Opponent has also sold a wine spritzer in association with the NAKED GRAPE trade-mark (para 13, Exhibit U). Mr. Bolliger describes Naked Grape Spritzers as a cooler product with wine and sparkling water, with some flavours having been launched between 2007 and 2010 which are no longer available as they were delisted in 2013 due to lack of sales (Qs 37-48).
- Twelve types of wine and at least two types of wine spritzers have been sold in the NAKED GRAPE collection including sauvignon blanc, shiraz, pinot grigio and white zinfandel wine spritzer (para 13; Exhibit L).
- Naked Grape Wines are advertised and promoted through the use of point of sale promotional materials (para 29); table talkers and menu shells at restaurants (para 31; Exhibit S); online at the website *nakedgrape.ca* (para 33; Exhibits I and U); and through television advertisements shown on Canadian television and print advertisements (para 33; Exhibit L). Advertising expenditures have ranged from a high of \$1.9 million annually in 2010, 2011 to \$650,000 in 2015 (para 22). The promotional materials and print-outs attached to Mr. Bolliger's affidavit feature the NAKED GRAPE trade-mark prominently.

Analysis of the Section 6(5) Factors

Inherent Distinctiveness

[18] A trade-mark is inherently distinctive when nothing about it refers the consumer to a multitude of sources [*Compulife Software Inc v CompuOffice Software Inc* 2001 FCT 559 at para 19]. As noted by Justice Bédard in *Philip Morris Products SA v Imperial Tobacco Canada Limited*, 2014 FC 1237, citing *Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FCA 313, whether a trade-mark is distinctive is a question of fact that is determined by reference to the message that it conveys to the casual consumer of the goods or services in question when the trade-mark is considered in its entirety as a matter of first impression.

[19] At para 42 of its written argument, the Opponent submits:

Neither NAKED GRAPE nor MAKE IT NAKED describes any inherent characteristic or quality of alcoholic beverages. As such, both of these marks are *inherently* distinctive of such goods.

[20] I agree and find both the NAKED GRAPE and the MAKE IT NAKED trade-mark to be inherently distinctive as a matter of first impression.

[21] At the hearing, the Applicant submitted that the trade-mark NAKED GRAPE is not distinctive with NAKED being descriptive or suggestive of a product which is unoaked. My review of the evidence indicates that a consumer turning their mind to what NAKED suggests in the context of a beverage like wine or rum may conclude *after consideration* that it suggests that the associated wine or rum may not have been aged in an oak barrel. I do not, however, find that the evidence supports a finding that consumers do so *as a matter of first impression*. While unoaked wines are a subcategory of wines (Qs151-152) it is not clear that the references to naked indicating an unoaked product are of the type that would be familiar to a casual consumer as a matter of first impression. I find this for the following reasons:

- The word naked may be defined in a number of ways including “Having no clothing on the body, stripped to the skin; unclothed, nude...”; “lacking in something, bare, inadequate”; “of a drink; undiluted, neat *Now Rare*” and “Not added to...” (see the references from the *Oxford English Dictionary* attached to the Applicant’s case law).
- Mr. Bolliger confirms on cross-examination that he has not heard the term naked used to describe wines that are not aged in oak barrels on a “universal basis” (Q88) and that he has not heard the term naked, to describe unoaked wines (Q142).
- At the hearing, the Applicant submitted that the Opponent, through emphasizing that its wines are unoaked on labels and in advertising, has educated consumers to understand this meaning of the word naked. I do not agree. First, the casual consumer is only going to be taking casual care to observe that which is staring them in the face [*Coombe v. Mendit Ltd.* (1913), 30 RPC 709 (Ch. D.) at 717 cited in *Mattel, supra*]. Second, the evidence does not show that the casual consumer has been educated that naked means unoaked in a descriptive sense, as opposed to

finding that the Opponent uses a risqué word to position its product in a fun, cheeky manner (see also Qs 76-80 of the cross-examination).

- From the bottle labels at Exhibit B:

Naked Grape wines reveal themselves as they really are, without being hidden by the flavour of oak. Our winemaker has chosen not to oak age the wines, allowing the crisp fruit flavour and the true varietal characteristics to come through.
- From an LCBO ad at Exhibit L

Naked Grape Unoaked Shiraz – There’s nothing shy about this Niagara-Peninsula blend. Fruit flavours express themselves fully...
- From contest materials at Exhibit O

It takes confidence to go unoaked. Naked Grape is the first wine brand to offer a complete line-up of unoaked varietals. By not aging our wine in oak barrels, the crisp fruit flavours of our grapes can express themselves fully without being masked.
- Finally, the references in the cross-examination relating to the following third party brands in Canada: Chardonaked, Naked Pig Pale Ale and Skinny Girl Naked vodka (Qs 189-199; 205), do not lead to the inference that the casual consumer understands that the word naked suggests or describes a product which is unoaked. First, Mr. Bolliger confirms that the Opponent has enforced its trade-mark against Chardonaked (Bolliger affidavit, para 37). Second, there is no evidence on which I could infer that the Skinny Girl Naked vodka or the Naked Pig Pale Ale is unoaked or otherwise unadulterated.

Extent Known and Length of Time in Use

[22] I am satisfied from the evidence of Mr. Bolliger that the NAKED GRAPE trade-mark has been promoted and used extensively in Canada for a long period of time. Consequently, I find it reasonable to conclude that the NAKED GRAPE trade-mark is quite well known, if not famous in Canada. As the Applicant has filed no evidence of use or reputation in Canada, this factor significantly favours the Opponent.

Nature of Goods and Trade

[23] The Goods, distilled spirits, namely rum and rum-flavoured beverages, are different than the Opponent's registered goods namely, wines, wine spritzers, and icewine. Although they are the products of one industry, a casual consumer may be conscious of the distinction between these goods – one being an alcoholic beverage made from the fermentation of grapes and one being a spirit produced through distillation [see, for example, *Benedictine Distillerie de la Liqueur de l'Ancienne Abbaye de Fecamp v John Labatt Ltée* (1990), 28 CPR (3d) 487; *Vincor International Inc v Maple Leaf Distillers Inc*, 2006 CanLII 80760 (TMOB); *Champagne Möet & Chandon v Chatam International Inc.* (2001), 12 CPR (4th) 549 (TMOB) at 554-558 *Pernod Ricard v. Molson Breweries* (1990), 30 CPR (3d) 302 (TMOB) at 306-308].

[24] That being said, there is the potential for overlap in the parties' channels of trade since the parties' goods would likely be sold in restaurants and liquor stores and independent stores, albeit in different sections with respect to wine and rums (wines in such sections as "Ontario wines" in LCBO and "bottled in British Columbia" in British Columbia liquor stores and the wine section in independent retailers in Alberta) (Qs 178-180) [see, for example, *Pernod Ricard v Molson Breweries* (1992), 44 CPR (3d) 359 at 368-369]. With respect to rum flavoured-beverages, Mr. Bolliger's evidence is that wine spritzers are sold in the cooler section (Q187). In the absence of further specification I find that the Applicant's goods described as rum-flavoured beverages may include coolers.

Degree of Resemblance

[25] As stated earlier, the degree of resemblance between the trade-marks will often have the greatest effect on the confusion analysis. When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. The appropriate test is not a side by side comparison but an imperfect recollection in the mind of a consumer of an opponent's trade-mark [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, *supra* at para 20]. The preferable approach when comparing trade-marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique [see *Masterpiece* at para 64].

[26] In this case, the most striking aspect of the Opponent's trade-mark is the word NAKED as the word GRAPE is descriptive of the associated goods. With respect to the Mark, I find that the trade-mark is likely to be viewed as a unitary phrase. In the end, when the parties' trade-marks are considered in their entirety, I find that the trade-marks have a considerable degree of resemblance in appearance and as sounded due to the shared component NAKED. Further, I find that the trade-marks suggest a similar slightly risqué connotation to consumers – both playfully and/or cheekily suggesting nakedness. In response to the Applicant's submissions that to the extent that the trade-marks share the same idea it is that the associated products are unobscured and the Opponent cannot have a monopoly in such an idea, I do not find that this would occur to consumers as a matter of first impression.

Surrounding Circumstance: Applicant's Website

[27] I do not consider the fact that the Mark may be advertised or promoted using cheeky advertising emphasizing Naked to be a relevant surrounding circumstance increasing the likelihood of confusion. Mr. Bolliger attaches print-outs of the *www.nakedturtle.com* website which include the Mark, the NAKED TURTLE trade-mark and depictions of a bottle of the products, as well as the phrases "DRINK NAKED" and "SHOP NAKED". The Opponent submits that these are similar in manner to the promotion and advertising of the NAKED GRAPE brand using cheeky references and this similarity may increase the likelihood of confusion.

[28] I do not find this to be a relevant surrounding circumstance as it is the effect of the Mark itself that must be considered, not of other indicia that may appear along with the trade-mark since the other indicia are not part of the trade-mark [*PEI Licensing Inc v Disney Online Studios Canada Inc*, 2012 TMOB 49 at para 26 (TMOB); *Mr. Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 at 11 (FCA), where the Court held that appearances of the challenged trade-mark as actually used are irrelevant considerations for the issue of confusion].

Trade-mark Registration for Simply Naked

[29] At the hearing, the Applicant referenced the certified copy of registration No. TMA885,729 for SIMPLY NAKED for use in association with wine and submitted that the fact

that it was assigned to Constellation Brands, Inc., a different legal entity than the Opponent means that the Opponent has conceded that different legal entities may own marks that include the word NAKED and cover wine, without any likelihood of confusion.

[30] Even if I found the co-existence of the SIMPLY NAKED registration in the name of Constellation Brands, Inc. (with no evidence of use in Canada) to be inconsistent with the Opponent's position that the MAKE IT NAKED trade-mark is not confusing with the trade-mark NAKED GRAPE, I would not find this to be a relevant surrounding circumstance. In *Molson Breweries v Labatt Brewing Co* (1996), 68 CPR (3d) 202 at 212-213 (FCTD), where one party argued that a prior inconsistent position taken by the other party was a relevant surrounding circumstance in assessing the likelihood of confusion, the Federal Court held:

... this circumstance is not relevant in determining whether the two trade-marks at issue are confusing. Regardless of the previous positions taken by Labatt, I must come to a determination as to confusion that is in accordance with the law and relevant jurisprudence.

Use of NAKED by Other Parties in the Alcoholic Beverages Market in Canada

[31] The use of NAKED by other parties in the alcoholic beverages market in Canada is not a significant surrounding circumstance. The limited evidence elicited in Mr. Bolliger's cross-examination of the use of NAKED by other parties in Canada is insufficient to establish that the component NAKED is common to trade-marks for alcoholic beverages in Canada such that consumers can more easily distinguish between trade-marks including this component.

[32] First, in the context of the cross-examination, it is not clear whether the question was intended to encompass the international market or the Canadian market for Naked Grape Winery (Q208) or Naked Snoqualamie (Q200-201), neither product of which Mr. Bolliger is familiar with. Second, Mr. Bolliger's evidence that:

- (a) he was familiar with the Naked brand of smoothies and confirmed that the Opponent has not objected to the use of Naked by this brand (Qs 209-211);

- (b) he was aware that Gallo's Naked Grape wine sold in the United States and it is sometimes featured in trade publications which are circulated in Canada (Qs 92-112); and
- (c) he is aware of the Skinnygirl brand vodka but was not aware that "bare naked" appeared on the brand (Qs 189-194);

does not result in the inference that consumers are able to distinguish between different alcoholic beverages including the component NAKED in their trade-marks. Given the extensive sales of NAKED GRAPE wine by the Opponent in most of the provinces of Canada, and that Naked smoothies are goods in a different field (non-alcoholic beverages) and there is no sales information for Skinnygirl vodka with "bare naked" on the label or information suggesting that the trade publications with Gallo's NAKED GRAPE wines have resulted in this brand having any reputation in Canada, I find that this evidence has little, if any, real effect on the distinctiveness of the Opponent's trade-mark NAKED GRAPE.

Surrounding Circumstance: Family of Trade-marks

[33] In its statement of opposition, the Opponent alleges that it has a family of NAKED GRAPE trade-marks. Where there is a family of trade-marks, there may be a greater likelihood that the public would consider a trade-mark that is similar to be another trade-mark in the family and consequently, assume that the product or service that is associated with that trade-mark is manufactured or performed by the same person. There is, however, no presumption of the existence of a family of marks in opposition proceedings. A party seeking to establish a family of marks must establish that it is using more than one or two trade-marks within the alleged family [*Techniquip Ltd v Canadian Olympic Assn* (1998), 145 FTR 59 (FCTD), aff'd 250 NR 302 (FCA); *Now Communications Inc v CHUM Ltd* (2003), 32 CPR (4th) 168 at para 35 (TMOB)]. In this case, the Opponent evidences extensive use of two trade-marks, NAKED GRAPE and NAKED GRAPE & Design, and provides pictures of wine sold in association with the NAKED GRAPE FIZZ trade-mark. Given that there are no sales figures for NAKED GRAPE FIZZ, I do not find that the Opponent has provided evidence that it has a family of NAKED GRAPE trade-marks such that there would be an increased likelihood of confusion.

Surrounding Circumstance: Use of Naked Trade-marks in the United States

[34] Several questions were asked to Mr. Bolliger on cross-examination concerning the existence of NAKED trade-marks in the wine sector in the United States including The Naked Grape sold by Gallo (Qs 92-112) and Simply Naked wines sold by Constellation Brands, the US division and a separate entity from the Opponent (Qs 116-130). I am not prepared to accord the use of NAKED trade-marks in the United States any significant weight. Co-existence abroad is typically not relevant in the absence of evidence that the environment abroad is similar to that in Canada, for example the state of the marketplace. Such evidence has not been led by the Applicant in this case.

Conclusion

[35] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, I find that the Applicant has failed to meet its legal onus of proving, on a balance of probabilities, that there is no reasonable likelihood of confusion. Specifically, a casual consumer with an imperfect recollection of the NAKED GRAPE trade-mark who encounters rum or rum flavoured beverages sold in association with the trade-mark MAKE IT NAKED may think that these goods are sold by, sold under license or are otherwise affiliated with the Opponent. In so finding, I have had regard to all of the surrounding circumstances including: (i) only the Opponent's trade-mark has a significant degree of acquired distinctiveness; (ii) there is a considerable degree of resemblance between the NAKED GRAPE and MAKE IT NAKED trade-marks; and (iii) there is no evidence that casual consumers understand the word NAKED to have a descriptive or suggestive meaning or are accustomed to seeing and having to distinguish between trade-marks containing the word NAKED in the alcoholic beverages field.

Sections 16(3) and 2 Grounds of Opposition

[36] The evidence of use of the NAKED GRAPE trade-mark discussed with respect to the section 12(1)(d) ground of opposition is sufficient to meet the Opponent's burden under these grounds of opposition. The Applicant's position is no stronger as of the priority filing date or the statement of opposition filing date [see sections 16 and 34 of the Act and *Metro-Goldwyn-Mayer*

Inc v Stargate Connections Inc 2004 FC 1185, (2004), 34 CPR (4th) 317 at 324 for the material dates for these grounds of opposition].

Remaining Grounds of Opposition

[37] As I have already found in favour of the Opponent under three grounds of opposition, I do not consider it necessary to address the remaining grounds.

APPLICATION NO. 1,595,872

[38] Application No. 1,595,872 for the trade-mark DON'T WORRY DRINK NAKED & Design set out below (the DON'T WORRY DRINK NAKED Mark) was filed on September 26, 2012 based on proposed use in Canada and use and registration in the United States in association with (1) distilled spirits, namely rum and (2) distilled spirits, namely rum and rum-flavoured beverages.. This application claims a priority filing date of June 28, 2012. The DON'T WORRY DRINK NAKED Mark was advertised for opposition purposes on February 11, 2015 and was opposed by the Opponent on February 23, 2015.



[39] With the exception of the inherent distinctiveness of the DON'T WORRY DRINK NAKED Mark and the degree of resemblance between this trade-mark and the NAKED GRAPE trade-mark, the issues for decision, material dates and the evidence of record are substantially the same as in the opposition to application No. 1,590,493. As above, I believe the Opponent's best chance of success is its registration for the NAKED GRAPE trade-mark in respect of the section 12(1)(d) ground and its use of this trade-mark with respect to the section 16(3)(a) and distinctiveness grounds.

Inherent Distinctiveness

[40] The DON'T WORRY DRINK NAKED Mark is inherently distinctive as this phrase does not convey any descriptive meaning with respect to the applied-for goods. The design elements, including the circle and sugar cane placed in a X, add a measure of inherent distinctiveness to this trade-mark.

Degree of Resemblance

[41] The trade-mark NAKED GRAPE and the DON'T WORRY DRINK NAKED Mark have a fair degree of resemblance as sounded and in appearance due to the shared component NAKED. Further, I find that the trade-marks suggest a similar slightly risqué connotation to consumers – both playfully and/or cheekily suggesting nakedness. In response to the Applicant's submissions that to the extent that the trade-marks share the same idea it is that NAKED suggests unobscured, I do not find that this particular idea would occur to a casual consumer as a matter of first impression.

[42] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, I find that the Applicant has failed to meet its legal onus of proving, on a balance of probabilities, that there is no reasonable likelihood of confusion. Specifically, a casual consumer with an imperfect recollection of the NAKED GRAPE trade-mark who encounters rum or rum flavoured beverages sold in association with the DON'T WORRY DRINK NAKED Mark may think that these goods are sold by, sold under license or are otherwise affiliated with the Opponent. In so finding, I have had regard to all of the surrounding circumstances including: (i) only the Opponent's trade-mark has a significant degree of acquired distinctiveness; (ii) there is a fair degree of resemblance between the NAKED GRAPE and DON'T WORRY DRINK NAKED Mark; and (iii) there is no evidence that casual consumers in Canada understand the word NAKED to have a descriptive or suggestive meaning or are accustomed to seeing and having to distinguish between trade-marks containing the word NAKED in the alcoholic beverages field.

[43] As such, the grounds of opposition based on sections 12(1)(d), 16(3)(a) and 2 succeed. Having already refused the application under three grounds, I will not discuss the remaining grounds of opposition.

DISPOSITION

[44] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the applications pursuant to section 38(8) of the Act.

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

Hearing Date: 2018-06-13

Appearances

Daniel Cohen For the Opponent

Jonathan Colombo For the Applicant

Agents of Record

Goodmans LLP For the Opponent

Bereskin & Parr LLP/S.E.N.C.R.L.,S.R.L. For the Applicant