



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 57

Date of Decision: 2021-03-29

IN THE MATTER OF AN OPPOSITION

Browns Social House Ltd.	Opponent
and	
Aware Beverages Inc.	Applicant
1,673,377 for SoCIAL Lite & design	Application

INTRODUCTION

[1] Browns Social House Ltd. (the Opponent) opposes registration of the trademark SoCIAL Lite & design (the Mark), which is the subject of application No. 1,673,377 by Aware Beverages Inc. (the Applicant). The Mark is shown below:



[2] The Mark is applied for in association with the goods “Flavoured vodka beverage”.

[3] The opposition is primarily based on the allegation that the Mark is confusing with the Opponent’s SOCIAL LAGER trademark, previously registered in Canada in association with similar goods.

THE RECORD

[4] The application for the Mark was filed on April 22, 2014 on the basis of proposed use in Canada.

[5] The application was advertised for opposition purposes on August 16, 2017. Numerous amendments to the *Trademarks Act* (the Act) came into force on June 17, 2019. As the application was advertised prior to June 17, 2019, pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read immediately before that date, an exception being that, with respect to confusion, sections 6(2) to (4) of the Act as it currently reads will be applied.

[6] On October 16, 2017, the Opponent opposed the application by filing a statement of opposition under section 38 of the Act. The grounds of opposition are based on sections 30(a), 30(e), 30(i), 12(1)(d), 16(3)(a), and 2 of the Act. The Applicant submitted a counter statement denying each of those grounds.

[7] In support of its opposition, the Opponent filed certified copies of six of its trademark registrations.

[8] In support of its application, the Applicant filed the affidavit of Daniel Beach, sworn August 13, 2018 in Toronto, Ontario. Mr. Beach was not cross-examined.

[9] Both parties submitted written representations; a hearing was scheduled but subsequently cancelled at the request of the parties.

[10] Before assessing the grounds of opposition, I will first provide an overview of the parties' evidence, the evidential burden on the Opponent, and the legal onus on the Applicant.

OVERVIEW OF THE OPPONENT'S EVIDENCE

Certified Copies of the Opponent's Registrations

[11] As its only evidence, the Opponent submitted certified copies of the following registrations (collectively, the Opponent's Social Trademarks):

- TMA710,929 for BROWNS SOCIAL HOUSE, registered April 3, 2008 in association with “(1) Franchising services, namely offering technical assistance in the establishment and/or operation of restaurants and bars; (2) Restaurant and bar services”.
- TMA742,338 for SOCIALHOUSE, registered June 19, 2009 in association with “Restaurant and bar services; Franchising services, namely offering technical assistance in the establishment and/or operation of restaurants and bars”.
- TMA823,224 for SOCIALIZE, registered May 2, 2012 in association with “Restaurant and bar services; franchising services, namely, offering technical assistance in the establishment and operation of restaurants and bars”.
- TMA850,043 for SOCIAL LAGER, registered May 1, 2013 in association with “Alcoholic brewery beverages”.
- TMA850,495 for RESTAURANT. BAR. SOCIALIZE, registered May 8, 2013 in association with “Restaurant and bar services; franchising services, namely, offering technical assistance in the establishment and operation of restaurants and bars”.
- TMA885,250 for BROWNS SOCIALHOUSE & Design (shown below), registered September 4, 2014 in association with “Restaurant and bar services; franchising services, namely, offering technical assistance in the establishment and operation of restaurants and bars”.



OVERVIEW OF THE APPLICANT’S EVIDENCE

Beach Affidavit

[12] Mr. Beach is the Chief Executive Officer of the Applicant. In his affidavit, Mr. Beach outlines the history of the Applicant [paras 4 and 5], the origin and development of its line of SoCIAL LITE “vodka sodas” [paras 6 to 9], and otherwise responds to the grounds of opposition alleged by the Opponent. In this respect, Mr. Beach provides for the following in his affidavit:

- The history of the subject application, including confirmation that he only became aware of the Opponent and the Opponent’s Social Trademarks as a result of an examiner’s report issued in the course of examination of the subject application [paras 10 to 14].
- The timeline of the launch of the Applicant’s SoCIAL LITE product, including confirmation that the Mark was not used prior to the subject filing date [paras 15 to 17, Exhibits 2 and 3].
- A description of the Applicant’s product as well as comparative examples in support of his assertion that the applied-for “flavoured vodka beverage” is an ordinary commercial term [paras 18 to 21, Exhibits 4 to 6].
- Confirmation that he is unaware of any instances of actual confusion [para 22], as well as his opinion regarding the likelihood of confusion with the Opponent’s Social Trademarks [paras 22 to 29].
- State of the register and marketplace evidence related to the word “SOCIAL” in association with bars and restaurants [paras 27 to 33, Exhibits 7 to 24].
- State of the marketplace evidence related to the word SOCIAL or SOCIABLE in association with alcoholic beverages [para 34, Exhibits 21 and 25 to 32].
- The origins of the Mark itself, including the explanation that it was in part a play on the term “socialite” [paras 35 to 40].
- The growing reputation of the Mark and the SoCIAL LITE brand in Canada since September 2014 [paras 41 to 45, Exhibit 33].
- The differences between the parties’ products, businesses and channels of trade [paras 46 to 54], including confirmation that, through searches of various distributor websites, he was unable to find the Opponent’s SOCIAL LAGER product available for purchase at retail [para 46 to 48].

[13] Lastly, Mr. Beach opines on the ability of “the average consumer of any type of alcoholic beverage” to distinguish between competing brands that share common elements, and gives examples for comparison [para 55, with tables showing comparative examples on pages 26 to 39].

EVIDENTIAL BURDEN AND LEGAL ONUS

[14] In accordance with the usual rules of evidence, there is an evidential burden on an opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd v Molson Companies Ltd*, 1990 CarswellNat 1053, 30 CPR (3d) 293 (FCTD)]. The presence of an evidential burden on the 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.

[15] For those allegations for which the opponent has met its evidential burden, the legal onus is on the applicant to show that the application does not contravene the provisions of the Act as alleged by the opponent in the statement of opposition. The presence of a legal onus on an applicant means that, if a determinate conclusion cannot be reached once all the evidence has been considered, then the issue must be decided against the applicant.

SECTION 30(A) GROUND OF OPPOSITION - APPLICATION REQUIREMENTS

[16] The Opponent pleads that the application does not conform to the requirements of section 30(a) of the Act because it does not contain a statement in ordinary commercial terms of the specific goods in association with which the Mark allegedly has been or is proposed to be used. In particular, the Opponent pleads that “flavoured vodka beverage” i) is not found in nor does it comply with CIPO’s *Goods and Services Manual* and ii) the description is vague and does not describe the goods in sufficient detail.

[17] The Opponent submitted no evidence in support of this ground. In its written representations, the Opponent notes that while the *Goods and Services Manual* has entries for “vodka”, “vodka cocktails” and “vodka flavoured with coffee”, there is no entry for “flavoured

vodka beverage”, submitting that that there remains a level of uncertainty as to the actual content of the “beverages” [para 16].

[18] As indicated on CIPO’s website, the *Goods and Services Manual* is a “representative listing of terms” that have been pre-approved by the Registrar and will be accepted without the need for further specification. As a representative listing, however, the absence of an entry in itself does not meet an opponent’s initial evidential burden with respect to a ground based on section 30(a) of the Act. In my view, the Opponent’s submissions otherwise also do not meet its initial burden.

[19] Accordingly, as the Opponent has not met its initial burden, the ground of opposition based on section 30(a) of the Act is rejected.

[20] I would note that, in any event, the Beach Affidavit provides evidence that “flavoured vodka beverage” is a term commonly accepted in the trade [paras 18 to 21]. As such, I agree with the Applicant’s submission that the application complies with section 30(a) of the Act [Applicant written representations, paras 36 to 39].

SECTION 30(E) GROUND OF OPPOSITION – APPLICATION REQUIREMENTS

[21] The Opponent pleads that the application does not conform to the requirements of section 30(e) of the Act because the Applicant, by itself or through a licensee, or by itself and through a licensee, used the Mark in Canada prior to the filing date.

[22] Again, the Opponent submitted no evidence in support of this ground. In its written representations, the Opponent refers to the “limited sales summaries” in the Beach Affidavit and submits that “there is some ambiguity and it is unclear if actual sales to bona fide customers took place in light of the omissions relating to adducing tangible evidence of sales” [para 19]. Whatever the intent of this submission, it does not meet the Opponent’s initial burden.

[23] Accordingly, as the Opponent has not met its initial burden, the ground of opposition based on section 30(e) of the Act is rejected.

[24] I would note that, in any event, the Beach Affidavit specifically confirms that the Applicant only began using the Mark after the filing date [paras 15 to 17]. As such, I agree with the Applicant's submission that the application complies with section 30(e) of the Act [Applicant written representations, paras 40 and 41].

SECTION 30(i) GROUND OF OPPOSITION – STATEMENT OF ENTITLEMENT

[25] The Opponent pleads that the application does not conform to the requirements of section 30(i) of the Act because the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the applied-for goods. In particular, the Opponent pleads that the Applicant was aware of the Opponent's prior use and registration of the Opponent's Social Trademarks and the Opponent's prior use of the trademark SOCIAL WHITE, with which the Mark was and is confusing.

[26] Again, the Opponent submitted no evidence in support of this ground. In its written representations, the Opponent simply conflates this ground with the remaining grounds that turn on the issue of confusion [para 20].

[27] In the absence of evidence to support the pleading, at a minimum, I am not satisfied that the Opponent has met its initial burden with respect to this ground. Accordingly, the ground of opposition based on section 30(i) of the Act is rejected.

[28] In any event, section 30(i) of the Act merely required that an applicant include a statement in its application that it is satisfied that it is entitled to use its trademark in Canada in association with the goods or services described in the application. Where this statement has been provided, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol Myers Co*, 1974 CarswellNat 476, 15 CPR (2d) 152 (TMOB)]. Mere knowledge of the existence of an opponent's trademark does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use its trademark [*Woot, Inc v WootRestaurants Inc*, 2012 TMOB 197].

[29] In this case, the requisite statement was provided, there is no evidence that this is an exceptional case, and I note that Mr. Beach (a co-founder of the Applicant) specifically attests

that he was unaware of the Opponent or its trademarks prior to the filing date [Beach Affidavit, paras 10 to 14]. As such, I agree with the Applicant's submission that the application complies with section 30(i) of the Act [Applicant written representations, para 45].

SECTION 12(1)(D) GROUND OF OPPOSITION – CONFUSION WITH A REGISTERED TRADEMARK

[30] The Opponent pleads that the Mark is not registrable pursuant to section 12(1)(d) of the Act because the Mark is confusing with the Opponent's Social Trademarks.

[31] I have exercised my discretion to check the register and confirm that these six registrations remain extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. As such, the Opponent meets its initial burden under this ground.

[32] In this case, I will begin the confusion analysis with the Opponent's registration for SOCIAL LAGER, as I consider it to represent the Opponent's strongest case. I will then comment briefly on the remaining Opponent's Social Trademarks.

Test to determine confusion

[33] The test to determine the issue of confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[34] 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 in association with the applied-for goods at a time when they have no more than an imperfect recollection of the Opponent's trademark and does not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23 at para 20].

[35] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the

trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods, services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them.

[36] The criteria in section 6(5) of the Act 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, 1 SCR 772]. In *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 (*Masterpiece*), the Supreme Court of Canada stated that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis [at para 49] and that, while the first word in the mark may be the most important in some cases, the preferable approach is to first consider whether there is an aspect of the trademark that is particularly “striking or unique” [at para 66].

Inherent Distinctiveness and the Extent Known; Length of Time in Use

[37] In its representations, the Opponent submits that SOCIAL LAGER “is a unique and distinctive mark for its goods and is inherently distinctive” [para 26] and that the Opponent has used its trademark in Canada “for an extensive period of time namely since 2007 as evidenced in its registration TMA850,043 namely over 11 years” [para 28]. However, the evidence does not support these submissions.

[38] With respect to the Opponent’s alleged use, while the Beach Affidavit evidences i) a 2018 Twitter post that apparently references the Opponent’s SOCIAL LAGER product [para 48], and ii) Mr. Beach’s own visits to the Opponent’s establishment in Oakville, Ontario [para 54], I do not consider such to demonstrate any significant use or reputation of the Opponent’s trademark. Otherwise, while the Opponent’s registration claims use in Canada since at least as early as October 2007, it is well established that *de minimis* use does not support a conclusion that a trademark has become known to any significant extent, nor that a trademark has necessarily been used continuously since the date stated [*Krauss-Maffei Wegmann GmbH & Co KG v Rheinmetall Defence Electronics GmbH*, 2017 TMOB 50; *Entre Computer Centers, Inc v Global Upholstery Co* (1991), 40 CPR (3d) 427 (TMOB)].

[39] As for the issue of distinctiveness, in its representations, the Applicant correctly submits that the Beach Affidavit demonstrates that the “social” element in the Opponent’s Social Trademarks is not unique and is commonly used by third parties with respect to restaurants, bars, and alcoholic beverages [para 61]. Notwithstanding the Opponent’s submissions, I agree with the Applicant that the Beach Affidavit sufficiently demonstrates that the element “social” is common in the trade such that the Opponent cannot expect a wide ambit of protection for its trademark [Applicant’s written representations, paras 63 to 65, referencing paras 33 and 34 of the Beach Affidavit]. I also note that the evidence shows that “social” is a term commonly incorporated into the names of bars and restaurants, where alcohol is served [Beach Affidavit at paras 26 to 32]. While some of these instances are from after the filing date of the application, I note they are all relevant as they are prior to the material date for this ground.

[40] In view of the Applicant’s evidence that the term SOCIAL is common in the trade and term LAGER is descriptive of the Opponent’s registered goods, I consider the Opponent’s SOCIAL LAGER trademark to be of low inherent distinctiveness.

[41] With respect to the Mark, while it is a design, I do not consider the design elements to be particularly distinctive. However, I agree with the Applicant that the “socialite” wordplay increases the Mark’s inherent distinctiveness somewhat [Applicant’s written representations, para 66].

[42] More importantly, as noted above, the Opponent evidenced no reputation or use of its SOCIAL LAGER trademark. In contrast, the Applicant has submitted significant evidence of use and reputation of the Mark in Canada since September 2014 [Beach Affidavit, paras 41 to 45]. This includes sales of “less than 1,000 cases of product” through 192 points of distribution in 2014 expanding to sales of “more than 130,000 cases of product in the first half of 2018” through 1,800 points of distribution across Canada [Beach Affidavit, para 45].

[43] Accordingly, I find these factors significantly favour the Applicant.

Nature of the Goods, Services or Business; Nature of the Trade

[44] In his affidavit, per the aforementioned Twitter post, Mr. Beach notes that the Opponent’s SOCIAL LAGER product appears to be sold exclusively at the Opponent’s restaurant and bar

establishments [para 48]. In contrast, the Applicant's "SoCIAL LITE products are almost exclusively a retail product – i.e. they are typically sold at private or provincially owned liquor stores, to be purchased and taken away by as customer" [Beach Affidavit, para 49].

[45] Mr. Beach further provides that the industry distinguishes between "pre-mixed" products like the Applicant's and brewery/beer beverages like the Opponent's [paras 51 to 53], noting that even where sold in the same store or on the same website, the different types of beverages tend to be sold apart from one another [para 51].

[46] In its written representations, the Applicant submits that past opposition proceedings have echoed this distinction and the ability of the average consumer to distinguish between the various types of alcoholic beverage products, citing *Corby Distilleries Ltd v Corban Wines Ltd, 1977 CarswellNat 796* [Applicant's written representations, para 81].

[47] First, I consider it appropriate that, in terms of relevance to the overall confusion analysis, principles from jurisprudence pre-dating the guidance of the Supreme Court in *Masterpiece* should be taken with some caution. Furthermore, especially for older decisions, any purported distinctions found in such cases should also be taken with caution, if only given the potential for the marketplace to have evolved in the intervening years.

[48] In any event, when considering the nature of the goods of the parties in respect of the issue of confusion, it is the statements in the subject application and registration that govern [*Mr Submarine Ltd v Amandista Investments Ltd, 1987 CarswellNat 749, 19 CPR (3d) 3 (FCA); Miss Universe Inc v Bohna, 1994 CarswellNat 1443, 58 CPR (3d) 381 (FCA)*]. In this case, while I acknowledge the distinction as described in the Beach Affidavit, the goods of both parties overlap in the simple sense that they are alcoholic beverages.

[49] On the other hand, with respect to the nature of the parties' businesses and the likely channels of trade, the uncontroverted evidence of Mr. Beach is that the Opponent and Applicant are not direct competitors, in the sense that the Opponent appears to be in the restaurant/bar business, whereas the Applicant sells its products through retail stores. Notwithstanding that Mr. Beach attests that he is unaware of any confusion between the parties' products [para 22], it remains, however, that both sell alcoholic beverages.

[50] Accordingly, overall, I find that these factors favour the Opponent, albeit not to a high degree, in the absence of clear evidence of direct overlap in the nature of the parties' businesses.

Degree of Resemblance

[51] The trademarks at issue share SOCIAL as the first part of the trademarks. The Opponent submits that the Mark "has incorporated the entirety of the Opponent's distinctive element and the additional word LITE, which is purely descriptive of the goods, namely a light beverage commonly known as a low calorie beverage" [Opponent's written representations, para 44]. Accordingly, the Opponent submits that the dominant feature of both trademarks is the SOCIAL element, resulting in a strong degree of resemblance in appearance, sound and idea suggested [paras 45 to 52].

[52] In its representations, the Applicant submits that the presence of a common element shared across a number of third-party trademarks in the same market will tend to focus the purchaser's attention to the other non-common elements of the trademarks at issue [paras 61 and 90, citing *Eclectic Edge Inc v Victoria's Secret Stores Brand Management, Inc*, 2015 FC 453 at paras 81 and 82]. Accordingly, the Applicant submits that this factor should be afforded little weight relative to "consideration of the inherent distinctiveness of the competing marks and their respective extent of having become known" [para 97].

[53] Given the shared SOCIAL element, I agree with the Opponent that there is some resemblance in appearance and sound. With respect to the idea suggested, the resemblance is not as great given that the play on "socialite" in the Mark is not present in the Opponent's trademark, which itself invokes the idea of a lager, albeit perhaps for social situations. Furthermore, while the LAGER element of the Opponent's trademark is descriptive and the LITE element of the Mark is descriptive or suggestive, such elements nevertheless serve to reduce the resemblance of the trademarks in appearance, sound and ideas suggested when the trademarks are properly considered in their entirety.

[54] Accordingly, while I find that this factor favours the Opponent, I agree with the Applicant that the evidence in this case demonstrates that it is not the factor deserving of the most weight in the confusion analysis.

Conclusion – Confusion with the registered trademark SOCIAL LAGER

[55] Having considered all of the surrounding circumstances, on a balance of probabilities, I find that the Applicant has met its legal burden to show that there is not a reasonable likelihood of confusion between the Mark and the Opponent’s SOCIAL LAGER trademark with respect to the applied-for goods.

[56] I reach this conclusion notwithstanding the nature of the goods and whatever resemblance exists between the parties’ trademarks, given that the other surrounding circumstances weigh in favour of the Applicant. In this respect, the Beach Affidavit demonstrates the use and reputation of the Mark in Canada, as well as the low ambit of protection to be afforded the Opponent’s trademark in view of the state of the marketplace with respect to the common term SOCIAL.

[57] This is a case where, in a context-specific assessment, the Applicant’s evidence is sufficient to shift the balance of probabilities in its favour. Indeed, generally, the Applicant is to be commended on the clarity, structure, and thoroughness of the Beach Affidavit in refuting each of the pleaded grounds of opposition in this case.

Conclusion – Confusion with the Opponent’s Social Trademarks

[58] As I considered the Opponent’s SOCIAL LAGER trademark to represent the Opponent’s strongest case, I similarly find that the Applicant has satisfied its legal burden with respect to the remaining Opponent’s Social Trademarks. In this regard, I note that the differing nature of the services for those registrations (being restaurant and bar services and franchising services thereof), further favours the Applicant. I also agree with the Applicant that the term SOCIAL in association with such services has further minimal inherent distinctiveness, in view of the Beach Affidavit, if not simply the definition and suggestiveness of the word itself.

[59] Accordingly, the ground of opposition based on section 12(1)(d) of the Act is rejected.

REMAINING GROUNDS OF OPPOSITION

[60] As the Opponent furnished no evidence of use or reputation of its trademarks to satisfy its initial burden(s), the pleaded grounds of opposition based on sections 16 and 2 of the Act are

rejected. In any event, my conclusion above with respect to confusion would remain in favour of the Applicant, notwithstanding the earlier material dates for these grounds.

DISPOSITION

[61] In view of all of the foregoing, pursuant to section 38(12) of the Act and the authority delegated to me under section 63 of the Act, I reject the opposition.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: No hearing held

AGENTS OF RECORD

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