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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 231

Date of Decision: 2021-10-15

IN THE MATTER OF AN OPPOSITION

Energy Beverages LLC

Opponent

and

Evolution Fresh, Inc.

Applicant

1,749,320 for SWEET BURN

Application

INTRODUCTION

[1] Evolution Fresh, Inc. (the Applicant) has applied for registration of the trademark SWEET BURN (the Mark) in association with the following goods:

- (1) Nutritionally fortified beverages to support general health and well-being; vitamin fortified beverages
- (2) Fruit juices; fruit and juice based beverages; fruit drinks and soft drinks containing fruit juices; vegetable-fruit juices; beverages containing vegetable juices
- (3) Fruit drinks, fruit juices, and fruit-based beverages; vegetable drinks, vegetable juices, and vegetable-based beverages; non-alcoholic beverages, namely carbonated beverages, soft drinks; energy drinks, isotonic beverages; liquid mixes for making soft drinks and fruit-based beverages; powders used in the preparation of soft drinks and fruit-based beverages; syrups for beverages; flavored and unflavored bottled drinking water, mineral water, aerated waters; soy-based beverages not being milk substitutes; fruit concentrates and purees used for making beverages

[2] The application is based on proposed use of the Mark in Canada as well as use and registration in the United States of America in association with Goods (2).

[3] Energy Beverages LLC (the Opponent) has opposed the application mainly on the basis that the Mark is confusing with its trademark BURN (sometimes referred to as the Opponent's Trademark) covering goods and services related to energy drinks and energy supplement beverages.

[4] For the reasons that follow, the application is refused.

FILE RECORD

[5] The application for the Mark was filed on October 7, 2015 and was advertised for opposition purposes in the *Trademarks Journal* on September 20, 2017.

[6] On November 14, 2017, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). All references in this decision are to the Act as amended on June 17, 2019, with the exception of references to the grounds of opposition which refer to the Act before it was amended.

[7] The grounds of opposition pleaded by the Opponent allege that the application does not conform to sections 30(d), (e) and (i) of the Act, that the Applicant is not the person entitled to registration of the Mark under sections 16(2)(b) and (3)(b) of the Act and that the Mark is not distinctive under section 2 of the Act.

[8] The Applicant filed and served a counter statement denying the grounds of opposition.

[9] In support of its opposition, the Opponent filed a certified copy of its application No. 1,747,317 for the trademark BURN.

[10] In support of its application, the Applicant filed:

- The affidavit of Michelle Chin, Vice President of Marketing and Product Development for the Applicant, sworn November 2, 2018 (the Chin affidavit). The Chin affidavit

provides some information regarding the Applicant and its business, including its intended use of the Mark.

- The affidavit of Mary P. Noonan, a trademark searcher employed by the firm representing the Applicant, sworn November 5, 2018, along with Exhibit A thereto (the Noonan affidavit). The Noonan affidavit introduces state of the register evidence in the form of a search of the Canadian Trademarks Database.

[11] The Applicant's affiants were not cross-examined.

[12] Both parties filed a written argument and attended the hearing.

MATERIAL DATES AND ONUS

[13] The material dates with respect to the grounds of opposition are as follows:

- Sections 38(2)(a) and 30 of the Act – the filing date of the application, namely, October 7, 2015 [*Austin Nichols & Co, Inc v Cinnabon, Inc* (2000), 5 CPR (4th) 565 (TMOB); *Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 at 94 (TMOB); *Tower Conference Management Co v Canadian Exhibition Management Inc*, (1990) 28 CPR (3d) 428 at 432-433 (TMOB)];
- Sections 38(2)(c) and 16 of the Act – the filing date of the application, namely, October 7, 2015 [sections 16(2) and (3) of the Act]; and
- Sections 38(2)(d) and 2 of the Act – the filing date of the opposition, namely, November 14, 2017 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[14] There is 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 [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD)]. If this burden is met, the Applicant then bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act.

GROUND SUMMARY REJECTED

[15] The grounds of opposition below are rejected on the basis that the Opponent has failed to meet its initial evidential burden:

- Section 30(d) – The Opponent has filed no submissions or evidence to put into question the correctness of the Applicant’s use and registration abroad basis claimed in its application for the Mark.
- Section 30(e) – Section 30(e) of the Act requires that an applicant for a trademark based on proposed use include a statement in its application that, by itself and/or through a licensee, it intends to use said trademark in Canada. The application for the Mark contains the required statement and there is no evidence that such statement is untrue.
- Section 30(i) – Mere knowledge of the existence of the Opponent’s Trademark or confusion with the Opponent’s Trademark alone, does not support the allegation that the Applicant could not have been satisfied of its entitlement to use the Mark. Section 30(i) of the Act requires that an applicant include a statement in its application that it is satisfied that it is entitled to use its trademark. 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. The application for the Mark contains the required statement and there is no evidence that this is an exceptional case.
- Section 2 – There is also no evidence that the Opponent’s Trademark had acquired any reputation in Canada at the material time [for a discussion on what an opponent is required to provide in order to meet its burden with respect to distinctiveness, see *Bojangles’ International LLC v Bojangles Café Ltd*, 2006 FC 657 at paras 25-34; *Scott Paper Ltd v Georgia-Pacific Consumer Products LP*, 2010 FC 478; and *1648074 Ontario Inc v Akbar Brothers (PVT) Ltd*, 2019 FC 1305].

[16] The remaining grounds of opposition turn on the issue of confusion between the Mark and the Opponent's trademark BURN.

SECTIONS 16(2)(B) AND (3)(B) – NON-ENTITLEMENT BASED ON PRIOR APPLICATION

[17] The Opponent alleges that the Applicant is not the person entitled to registration pursuant to sections 16(2)(b) and (3)(b) of the Act, because the Mark is confusing with its trademark BURN in respect of which the Opponent had previously filed an application in Canada in association with with energy drinks, energy supplement beverages and services for planning and organizing various programs related thereto.

[18] As mentioned above, the Opponent submitted as its evidence a certified copy of Canadian trademark application No. 1,747,317. The fact that this application matured to registration on September 9, 2019 (TMA1,053,297) does not preclude the Opponent from relying on it for the purposes of its grounds of prior entitlement based upon sections 16(2)(b) and (3)(b) of the Act. In this regard, I note that application No. 1,747,317 was filed on September 23, 2015 and was still pending on the date that the application for the Mark was advertised. The Opponent has therefore met its evidential burden under these grounds.

[19] I now have to determine if the Applicant has met its onus of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion.

Test for confusion

[20] The test to determine the issue of confusion is set out in section 6(2) of the Act which stipulates that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely 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. Therefore, section 6(2) of the Act does not concern confusion of the trademarks themselves, but confusion of the goods or services from one source as being from another.

[21] In applying this test, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time they have been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context-specific assessment [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22].

Inherent distinctiveness and extent known

[22] In my view, the trademarks at hand possess a similarly low degree of inherent distinctiveness. Both are composed of ordinary dictionary words and both have somewhat of a suggestive connotation in relation to the goods that they respectively cover as a result of their inclusion of the term “burn” arguably implying that the beverages can be consumed as fuel for the body to produce energy or referring to their taste. The Mark further includes the term “sweet” which can indeed take on a laudatory connotation when used as an adjective, in addition to being descriptive of the character of a number of the Applicant’s goods.

[23] While the strength of a trademark may be increased by it becoming known through promotion or use, as mentioned above, neither party submitted evidence effectively showing that the marks at issue have been used or become known to any extent in Canada.

[24] The information comprised in the Chin affidavit is summarized below:

- Founded in 1992, the Applicant is a manufacturer and purveyor of, among other things, cold-pressed fruit and vegetable juices (and blends of same) [paras 4-5].
- In 2011, the Applicant was acquired corporately by Starbucks Corporation [para 5].
- Ms. Chin states that the Mark will be used in Canada as a mark and brand within the house brand of EVOLUTION FRESH goods [para 6]. In this regard, she provides an image of the SWEET BURN beverage goods as sold and promoted in the United States

of America, which she claims is consistent with the labelling that will, in due course, be used for the Mark in Canada for the various beverage and other goods described in the application [paras 7-8].

- Ms. Chin states that all of the Evolution fresh goods that are sold in Canada, including in due course the SWEET BURN branded beverages and other goods, are and will be sold primarily through channels such as Starbucks café locations and natural food stores [para 9].
- Ms. Chin also states that “[i]n the past two years alone”, Canadians have purchased more than a million units of the various ready to drink Evolution fresh beverage goods through such channels [para 10].
- According to Ms. Chin, given the corporate ownership relationship between Starbucks and the Applicant, “it is impossible” that the Opponent’s BURN goods would ever find themselves being sold competitively to the Applicant’s goods in any Starbucks cafés and “it is also highly unlikely” that the Opponent’s BURN goods would find themselves sold in natural food store channels [paras 12-13].

[25] Ms. Chin’s evidence does not demonstrate that the Mark was actually used within the meaning of section 4 of the Act or is known to any extent in Canada. The Chin affidavit consistently refers to future sales of SWEET BURN products in Canada and I agree with the Opponent that the fact that the Applicant has sold other goods in association with different trademarks should not be taken into consideration by the Registrar when evaluating the likelihood of confusion between the applied-for Mark and the Opponent’s Trademark.

[26] Consequently, the overall consideration of the section 6(5)(a) factor, which involves a combination of inherent and acquired distinctiveness of the parties’ marks, does not significantly favour either party.

Length of time in use

[27] As there is no evidence of use of the parties’ respective trademarks in Canada, this factor also does not favour either party.

Nature of the goods, services, businesses and trade

[28] When considering the nature of the goods, services and the nature of the trade, the Applicant's statement of goods must be compared with the statement of goods and services contained in the application relied upon by the Opponent [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[29] As indicated above, the statement of goods for the Mark essentially covers a variety of beverages as well as powders, liquid mixes, concentrates and purees used for making beverages. The Opponent's relied-upon application covers the following goods and services:

Goods: Energy drinks and energy supplement beverages.

Services: Planning and organising retail store and special event based product sampling programs, as well as product sample distribution programs and coupon programs, all related to the distribution and sale of energy drinks and liquid energy supplement beverages and syrups, concentrates and powders for making beverages, namely, energy drinks and liquid energy supplement beverages.

[30] There is clearly overlap between the parties' goods to the extent that the trademarks at issue both cover non-alcoholic beverages and more specifically, energy drinks. Also, while the application for the Mark differs in that it does not cover any services, the Opponent's services are all nevertheless in the field of, or otherwise related to, energy drinks and energy supplement beverages.

[31] The Applicant, seeking to distinguish the nature of the parties' channels of trade, essentially contends that the goods will not be sold in the same stores. Specifically, the Applicant submits that its products will be *primarily* sold through Starbucks cafés and natural food stores where the Opponent's goods are *unlikely* to be found.

[32] However, neither statement of goods covered by the marks at issue contains or suggests any restriction with respect to the parties' intended channels of trade. I therefore agree with the Opponent's submission that not only would it be possible for the Applicant to sell its goods in locations other than Starbucks cafés and natural food stores, but there is nothing preventing the Opponent from offering its goods for sale though natural food stores. Taking this into account

and considering that the parties' goods are in the same general category and, to some extent, identical, I find that the channels of trade associated therewith have potential to overlap.

[33] Consequently, these factors favour the Opponent.

Degree of resemblance

[34] When considering the degree of resemblance, the law is clear that the trademarks 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 trademark [*Veuve Clicquot* at para 20]. While in some cases, the first element of a mark may prove the most important for the purpose of distinction, the preferable approach is to begin the confusion analysis by determining whether there is an aspect of each trademark that is particularly striking or unique [*Masterpiece* at para 64].

[35] With this in mind, I find that there is a fair degree of resemblance between the trademarks at issue as the dominant element of the Opponent's Trademark forms part of the Mark. It follows that there are aural, visual as well as conceptual similarities, notwithstanding the additional element in the Mark. In fact, to the extent that the word "sweet" in the Mark has a laudatory connotation, I tend to agree with the Opponent that it further accentuates the word "burn" therein [for an analogous finding see *Canada Bread Company, Limited v Sorbee International LLC*, 2012 TMOB 209 at para 27].

[36] Consequently, this factor also favours the Opponent.

Additional surrounding circumstance - State of the register

[37] State of the register evidence is introduced to show the commonality or lack of distinctiveness of a trademark or of a portion of a trademark. It is established that where trademarks contain a common element that is also contained in a number of other trademarks in the same market, this tends to cause consumers to pay more attention to the marks' other non-common features to distinguish them [*K-Tel International Ltd v Interwood Marketing Ltd* (1997), 77 CPR (3d) 523 (FCTD)]. That said, such evidence is relevant only insofar as it allows for inferences concerning the state of the marketplace, which can only be drawn when a

significant number of relevant registrations are located [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[38] Relying on the Noonan affidavit, the Applicant submits that there are at least 77 third party marks on the register containing the element “burn” in the fields of beverages, restaurants and foods, and that “burn” is thus commonly adopted by many different traders in the Opponent’s own field of activities.

[39] The Opponent, for its part, submits that the evidence adduced by the Applicant is insufficient to attest to any type of meaningful coexistence of the term “burn” on the register, let alone the marketplace, and notably points out the following:

- Two of the retrieved trademarks are owned by the Opponent, namely BURN (application No. 1,747,317) and BURN INTENSE ENERGY (application No. 1,474,318);
- The results also feature the Mark currently being opposed in the name of the Applicant (application No. 1,749,320);
- Only 34 of the retrieved trademarks are associated with goods contained in international class 32 (essentially non-alcoholic beverages) and amongst these trademarks, only three contain the term “burn” as a separate element.

[40] I note that there are numerous irrelevant occurrences amongst Ms. Noonan’s search results aside from the Mark and the trademarks owned by the Opponent. For example, the search results are not limited by trademark status and therefore include many pending (formalized, searched or examined) applications. In addition, Ms. Noonan performed her search on October 31, 2018 which postdates the relevant date with respect to the non-entitlement ground of opposition. That said, I note 44 trademarks allowed or registered as of October 7, 2015 that can be taken into consideration approximately half of which cover beverages or supplements including in liquid form. Amongst these, however, I only note the following registrations for marks which include the term “burn” as a standalone element:

- BURN’S SCOTCH ALE & Design (registration No. TMA635,620) for “Brewed alcoholic beverages, namely ale [...]”;
- ENERGY TO BURN (registration No. TMA643,004) for “Dietary supplements, namely mixtures of herbs, vitamins and/or minerals”;
- POWDER BURN (registration No. TMA908,252) for “Nutritional and dietary supplements, in powder form, to increase energy, mental focus, and stamina in the human body”.

[41] Based on these results and without any evidence of actual use, I am not prepared to draw inferences about the state of the marketplace and do not consider the state of the register evidence to be a significant surrounding circumstance.

Conclusion on the likelihood of confusion

[42] Having considered all of the surrounding circumstances and, in particular, the resemblance between the marks, the overlap between the parties’ goods and the potential for overlap in their channels of trade, I find that the Applicant has failed to establish, on a balance of probabilities, that there is no likelihood of confusion between the Mark and the Opponent’s trademark BURN.

[43] Accordingly, the sections 16(2)(b) and 16(3)(b) grounds of opposition succeed.

DISPOSITION

[44] Having regard to the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Iana Alexova
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2021-06-03

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