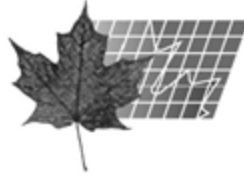


O P I C



C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 267

Date of Decision: 2021-11-29

IN THE MATTER OF AN OPPOSITION

Muskoka Spirits Inc.

Opponent

and

**Lakes of Muskoka Cottage Brewery
Inc.**

Applicant

**1,808,076 for MUSKOKA SPIRITS &
Design**

Application

INTRODUCTION

[1] Muskoka Spirits Inc. (the Opponent) opposes registration of the trademark MUSKOKA SPIRITS & Design shown below (the Mark) filed by Lakes of Muskoka Cottage Brewery Inc. (the Applicant).



[2] Filed on November 4, 2016, the application is based on the Applicant's proposed use of the Mark in Canada in association with the Goods: alcoholic spirits, namely, spirits-based mixed beverages, namely, coolers and sodas; rum, vodka, gin, whiskey, liqueurs.

[3] The Opponent alleges that (i) the application does not conform to section 30(i) of the *Trademarks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable because it is clearly descriptive or deceptively misdescriptive of the Goods' place of origin; (iii) the Applicant is not the person entitled to registration of the Mark under section 16(3)(c) of the Act on the basis of the Applicant's prior use of its trade name Muskoka Spirits Inc.; and (iv) the Mark is not distinctive of the Applicant in view of the Opponent's prior and ongoing use of the trade name Muskoka Spirits Inc.

[4] For the reasons that follow, I refuse the application.

THE RECORD

[5] The application was advertised on October 25, 2017. The Opponent filed its statement of opposition on December 22, 2017. In accordance with section 70 of the Act, all references to sections of the Act pertaining to the grounds of opposition are to the Act as it read before June 17, 2019.

[6] In support of its opposition, the Opponent filed the affidavits of Louisa Chen, a litigation clerk employed by the Opponent's former agent and the affidavit of Malcom Harvey, a former summer student with the Opponent's former agent. In support of its application, the Applicant filed the affidavit of David Nieves, a trademark and domain name investigator employed by Corsearch and the affidavit of Reinette Du Preez, a trademarks administrator employed by the Applicant's agent. The Applicant filed written submissions. A hearing was not held.

EVIDENTIAL BURDEN AND LEGAL ONUS

[7] While there is an initial evidential burden on an opponent; the legal burden or onus remains on an applicant, on a balance of probabilities [*John Labatt Ltd v Molson Co*, (1993), 30 CPR 3d 293 (FCTD)].

ANALYSIS

[8] I will consider the grounds of opposition beginning with the section 12(1)(b) ground of opposition.

Section 12(1)(b) Ground of Opposition

[9] The determinative issue in this proceeding is whether the Mark, when sounded, is clearly descriptive or deceptively misdescriptive of the Goods. The Opponent alleges in the statement of opposition that the Mark is either clearly descriptive if the Goods in fact emanate from the region of Muskoka in Ontario, or deceptively misdescriptive if they do not emanate from that region.

[10] The material date to assess this ground of opposition is the date of filing the application [*Fiesta Barbecues Ltd v General Housewares Corp*, 2003 FC 1021].

[11] “Clearly” means “easy to understand, self-evident or plain” [*Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34]. In deciding whether a trademark offends section 12(1)(b), the trademark must not be carefully analyzed but must be considered in its entirety as a matter of immediate impression [*Wool Bureau of Canada Ltd v Registrar of Trade-marks* (1978), 40 CPR (2d) 25 (FCTD); *Atlantic Promotions Inc v Registrar of Trade-marks* (1984), 2 CPR (3d) 183 (FCTD)]. In other words, the trademark must not be considered in isolation, but rather in its full context in conjunction with the goods [*Ontario Teachers’ Pension Plan Board v Canada*, 2012 FCA 60]. Finally, one must apply common sense in making the determination about descriptiveness [*Neptune SA v Canada (Attorney General)*, 2003 FCT 715].

[12] The purpose of the prohibition in section 12(1)(b) of the Act is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [*Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD)].

[13] With respect to a trademark alleged to be clearly descriptive of the place of origin of the associated goods, a trademark will be clearly descriptive of the place of origin if it is a

geographic name and the goods and services originate from the location of the geographic name [MC Imports Inc v AFOD Ltd, 2016 FCA 60 at para 65].

[14] In *Best Canadian Motor Inns Ltd v Best Western International, Inc*, 2004 FC 135, affirming 23 CPR (4th) 110 (TMOB), the Court held that the provisions of section 12(1)(b) are clear on their face and prohibit the registration of trademarks that are clearly descriptive when depicted, written or sounded. Thus, where the word portion is the dominant feature of a combination word and design mark, and the word portion offends section 12(1)(b), then the combination word and design mark is precluded from registration (at paras 35-36):

It was open to Parliament to provide an exception to paragraph 12(1)(b) of the Act in respect of design marks that include words that are a dominant feature of the marks as I find to be the case in this matter. Indeed, Parliament did see fit to provide an exception to the general rule of paragraph 12(1)(b) for a different purpose.

.....

The foregoing clearly demonstrates an option that was open to Parliament at the time the Act was enacted and that has remained open to Parliament since that time. That option would have been, and remains, to add an additional exception to the application of paragraph 12(1)(b) for design marks that include words as a dominant feature so that, as with at least some design marks that have no dominant word element, they would not have to meet the “sounded” test on the basis of the word elements. ...

The Opponent Meets its Evidential Burden

[15] The Opponent’s evidence set out below is sufficient to meet its evidential burden that MUSKOKA SPIRITS is clearly descriptive of spirits which originate in Muskoka, Ontario:

- a) Muskoka is listed as a District Municipality in Ontario in the Canadian Geographical Names Database of Natural Resources Canada (Harvey affidavit, Exhibit 1).
- b) Muskoka is listed in the *Merriam-Webster’s Geographical Dictionary*, 3rd ed (1997) as “District, SE Ontario, Canada” (Harvey affidavit, Exhibit 2).
- c) Muskoka is defined in *The Canadian Oxford Dictionary*, 2nd ed. (2005) as “a region of south central Ontario, situated off the southeastern end of Georgian

Bay and North of Lake Simcoe. It is centred on the Muskoka Lakes ... and is a popular area for summer cottages” (Harvey affidavit, Exhibit 4).

- d) The word spirit has a number of definitions as set out in *The Canadian Oxford Dictionary*, 2nd ed. (2005) including “strong distilled liquor” (Harvey affidavit, Exhibit 4).

The Applicant Fails to Meet its Legal Onus

[16] In my view, the word portion MUSKOKA SPIRITS of the applied-for combination mark is the dominant feature of the Mark due to its larger size and prominence as compared to the design of the chair. Further, this combination mark would be sounded by reference to the word portion.

[17] The fact that this application passed examination and was approved for advertisement is of limited significance. In general, such decisions by the examination section have no precedential value with respect to opposition proceedings [*Constellation Brands Québec Inc v Julia Wine Inc*, 2015 TMOB 93 at para 15]. Importantly, the burden of proof which an applicant must meet at the examination stage is different than the one required to prevail in an opposition [*Matusalem v Espiritu de Chile Ltd*, 2011 TMOB 137].

[18] Applying common sense, based on the plain meaning of the words in the Mark taken in the context of the Goods, I find that the Mark when sounded clearly describes the place of origin of the Opponent’s spirits and spirit-based drinks. Following the *Best Canadian Motor Inns* and *MC Imports Inc* cases, above, I find that the Mark is unregistrable pursuant to the ground of opposition based on section 12(1)(b) of the Act as the Applicant has confirmed that the Goods do or will emanate from that region (Applicant’s written submissions, para 24 and Applicant’s response of August 11, 2017 to an Examiner’s report).

Section 30(i) Ground of Opposition

[19] The Opponent’s section 30(i) ground of opposition is based on two separate allegations. First, that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Goods given its prior knowledge of the Opponent’s use in Canada

of its trade name Muskoka Spirits Inc. Second, that the Applicant could not have been satisfied it was entitled to use the Mark in association with “bourbon” since the Applicant does not manufacture “bourbon” in the United States and the Canadian *Spirits Drinks Trade Act*, SC 2005, c 39 prohibits the sale of bourbon in Canada unless it is manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of bourbon whiskey.

[20] The first prong of the section 30(i) ground of opposition is rejected. Where an applicant has provided the statement required by section 30(i) in its application, a ground of opposition based upon this section should only succeed in exceptional cases such as where there is evidence of bad faith on the part of an applicant [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement and the Opponent has not filed any evidence to demonstrate that this is an exceptional case. Furthermore, the mere knowledge of the existence of an opponent’s trade name does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use a mark at the time that it filed its application [*Woot, Inc v Woot Restaruant Inc Les Restaurants Woot Inc*, 2012 TMOB 197 at para 10].

[21] The second prong of the section 30(i) ground of opposition is moot as the Applicant had amended its application to delete bourbon.

Remaining Grounds of Opposition

[22] The material dates for the grounds of opposition based on sections 16(3)(c) and 2 are the filing date of the application and the filing date of the statement of opposition [section 16(3) of the Act and *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[23] These grounds of opposition are both rejected as the Opponent has failed to meet its evidential burden. The Opponent has not evidenced that its trade name was used or had any reputation in Canada as of the applicable material dates. Although the Opponent has filed a Corporation Profile Report showing that Muskoka Spirits Inc. was incorporated on December 20, 2001 this is not evidence that the trade name has been used or had any reputation in Canada. As I have found that the Opponent has not met its evidential burden, it is unnecessary

for me to discuss the Applicant's evidence which is directed to the Opponent's apparent lack of use.

DISPOSITION

[24] 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.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

No hearing held.

AGENTS OF RECORD

No agent appointed

FOR THE OPPONENT

Chitiz Pathak LLP

FOR THE APPLICANT