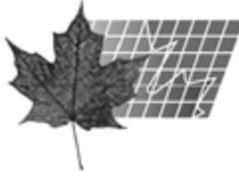


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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 064

Date of Decision: 2022-03-31

IN THE MATTER OF AN OPPOSITION

Monster Energy Company

Opponent

and

IICOMBINED Co., Ltd.

Applicant

1,784,424 for GENTLE MONSTER

Application

INTRODUCTION

[1] Monster Energy Company (the Opponent) opposes registration of the trademark GENTLE MONSTER (the Mark), which is the subject of application No. 1,784,424 (the Application).

[2] The Application is based on a claim of proposed use of the Mark in Canada in association with the following services (the Services):

(1) Window dressing and display arrangement services; Import-export agency services; Wholesale services connected with the sale of bags, wallets, clothing, watches, cosmetics, neckties, socks, sunglasses, accessories, namely, jewelry, handbags, footwear and eyeglasses, necklaces, earrings, rings, key rings, singlets, caps (headwear), belts, suspenders, glasses, cases for glasses, lenses for glasses, contact lenses, contact lenses' cases and shoes; Retail services connected with the sale of bags, wallets, clothing, watches, cosmetics, neckties, socks, sunglasses, accessories, namely, jewelry, handbags,

footwear and eyeglasses, necklaces, earrings, rings, key rings, singlets, caps(headwear), belts, suspenders, glasses, cases for glasses, lenses for glasses, contact lenses, contact lenses' cases and shoes; Purchase and sale on consignment services in the field of bags, wallets, clothing, watches, cosmetics, neckties, socks, sunglasses, accessories, namely, jewelry, handbags, footwear and eyeglasses, necklaces, earrings, rings, key rings, singlets, caps (headwear), belts, suspenders, glasses, cases for glasses, lenses for glasses, contact lenses, contact lenses' cases and shoes

[3] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent's prior use and registration of the following MONSTER ENERGY trademarks (the MONSTER ENERGY Marks):

	TMA932,892	Goods: Silicone wrist bands; silicone bracelets; jewelry, namely, bracelets and wristbands
MONSTER ENERGY	TMA985,974	Services: Promoting goods and services in the sports, motorsports, electronic sports, and music industries through the distribution of printed, audio and visual promotional materials; promoting sports and music events and competitions for others.
MONSTER ENERGY	TMA989,437	Services: Entertainment services in the form of fireworks, live musical concerts, live performances by a musical band, personal appearances by a fashion, television, singer, athlete, models, and sports celebrity or movie star; Entertainment services in the form of organizing, hosting, conducting and staging professional video gaming competitions; Entertainment services in the form of sponsorship and endorsement of athletes, sports celebrities, and professional gamers; organizing, conducting and staging sports events, namely snowboarding competitions, motor sports events, motocross events, supercross events, motorcycle events, BMX events, snow vehicle racing, MMA fighting, bull riding events, mountain biking events, skiing events, surfing events, water sports events, basketball games, ice skates competitions, football games, automobile races, and free style ski competitions, live musical performances, art exhibitions and hockey, gymnastic, soccer and swimming competitions; on-line publication and provision of multimedia content in the nature of multimedia files containing audio, video, text, still images, and graphics in the fields of sports, fashion, video gaming, celebrities, movies, television shows, and music; providing a website featuring non-downloadable publications in the nature of multimedia content in the nature of multimedia files containing audio, video, text, still images, and graphics in the fields of sports, fashion, video gaming, celebrities, movies, television shows, and music.

[4] For the reasons that follow, the opposition is rejected.

THE RECORD

[5] The Application was filed on May 27, 2016 and was advertised for opposition purposes in the *Trademarks Journal* of March 29, 2017.

[6] On May 17, 2017, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The Act was amended on June 17, 2019. All references are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act before it was amended (see section 70 of the Act).

[7] The grounds of opposition pleaded by the Opponent are based on compliance under sections 30(e) and (i), registrability under section 12(1)(d), entitlement under section 16, and distinctiveness under section 2 of the Act. The statement of opposition was subsequently amended, with leave of the Registrar granted on March 5, 2020, to add two of the Opponent's applied-for trademarks (cited under the section 16 ground of opposition) that had matured to registration since the initial filing of its statement of opposition to the list of registered trademarks pleaded under the section 12(1)(d) ground of opposition. The pleading was also amended to reflect the change of ownership in the Application from Snoopby Co. Ltd. to IICOMBINED Co., Ltd. (the Applicant).

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

[9] Both parties filed evidence and written representations and were represented at a hearing.

OVERVIEW OF THE EVIDENCE

The evidence of record is briefly summarized below. Pertinent portions of the evidence are discussed further in the analysis of the grounds of opposition.

The Opponent's evidence

[10] The Opponent filed the affidavit of Rodney Cyril Sacks, the Chairman and Chief Executive Officer of the Monster Beverage Corporation and its subsidiaries, including the Opponent. Mr. Sacks provides evidence relating to the business of the Opponent, which he identifies as designing, creating, developing, producing, marketing and selling energy drinks.

Mr. Sacks provides information on the product development and launch of MONSTER ENERGY brand energy drinks, sales figures, number of cans sold and market share, and information on the channels of trade for the energy drinks.

[11] Mr. Sacks also provides extensive evidence relating to the advertising, marketing and promotional strategy of the Opponent. In particular, Mr. Sacks explains that the marketing strategy is not conventional in that it does not use direct television or radio advertising to promote the MONSTER trademarks. Rather, it allocates the majority of its marketing, advertising and promotional budget on athlete endorsements and sponsoring athletic competitions and other events.

[12] The Opponent also filed a certified copy of trademark registration No. TMA932,892 for M MONSTER ENERGY & Design.

The Applicant's evidence

[13] The Applicant filed two affidavits of D. Jill Roberts, a graduate of the law clerk program at Cambrian College in Sudbury, Ontario. The First Roberts affidavit, sworn December 3, 2018, introduces into evidence various printouts (accessed on November 12, 2018) from the Applicant's website *gentlemonster.com* including pages featuring the Applicant's GENTLE MONSTER branded eyeglasses and sunglasses, a page featuring the Applicant's description of itself as a "designer brand that constantly develops itself under the philosophy of innovational high-end experiments", and information on the Applicant's global anti-counterfeiting program. Ms. Roberts also includes printouts from websites of third party retailers that are identified as carrying the Applicant's GENTLE MONSTER brand of eyewear in Canada (along with printouts of Canada 411 results pages showing the locations of these retailers). Also provided are:

- Archived printouts of various of the above-referenced websites obtained from the Internet Archive Wayback machine.
- A copy of the Google Analytics page for the *gentlemonster.com* website for the period of January 2016 to November 2018 and a companion chart, both alleged to show the number of Canadian visitors to the Applicant's website, and provided to Ms. Roberts by

Amy M. Thomas, an agent employed by the Applicant, who advised Ms. Roberts that these documents were provided to her by Dae woong Bae, Manager of the Management Support Department at the Applicant.

- Evidence demonstrating where the Opponent’s MONSTER ENERGY beverages are available for purchase, including the results of a Google search, a copy of a Loblaws grocery flyer, and photographs showing the Opponent’s MONSTER ENERGY drinks in a Loblaws store in Ottawa, Ontario.

[14] The Second Roberts affidavit, sworn November 29, 2018, contains the results of a state of the register search conducted by Ms. Roberts for active registrations “having the word MONSTER in them”.

[15] The Applicant also filed a certified copy of trademark registration No. TMA945,059 for GENTLE MONSTER & Design.

LEGAL ONUS AND EVIDENTIAL BURDEN

[16] The Applicant bears the legal onus of establishing, on a balance of probabilities, that the Application complies with the requirements of the Act. However, the Opponent must first adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

ANALYSIS OF THE GROUNDS OF OPPOSITION

Section 12(1)(d) ground of opposition

[17] The material date for a section 12(1)(d) ground of opposition is the date of the Registrar’s decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[18] The Opponent has pleaded that the Mark is not registrable pursuant to section 12(1)(d) of the Act since it is confusing with the Opponent’s registrations for the MONSTER ENERGY

Marks (set out above in paragraph 3 of this decision). I have exercised my discretion and checked the Register to confirm that these registrations are extant [*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Therefore, the Opponent has met its initial burden with respect to this ground.

[19] The Opponent having met its initial burden with respect to this ground of opposition, the Applicant must now establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent's registrations for the MONSTER ENERGY Marks.

Test for confusion

[20] Section 6(2) of the Act indicates that 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 Nice class.

[21] 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 and 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. These criteria 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 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 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.

[22] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and

differences between the marks [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltee*, 2006 SCC 23 at para 20].

Inherent distinctiveness

[23] The Federal Court has previously considered the Opponent's MONSTER ENERGY trademark not to be inherently strong in relation to energy drinks as both of the elements comprising the trademark suggest beverages that will give the user a lot of energy [*Hansen Beverage Company v Rainbow SPA.*, 2010 TMOB 19 at para 15]. However, in the present proceeding, the Opponent has not cited any of its MONSTER ENERGY registrations covering beverages in its statement of opposition. Rather, the relied-upon MONSTER ENERGY Marks cover jewelry and a range of promotional and entertainment-based services broadly associated with the sponsorship and endorsement of athletes and sporting and entertainment events.

[24] In its written and oral representations, the Applicant submits that a similar reasoning to that applied by the Federal Court may be applied to the meaning of the words MONSTER ENERGY in respect of the promotion of extreme sports and athletes, and entertainment, *i.e.*, that the words suggest that there will be "huge energy" at the snowboarding, hockey, motorsports, mountain biking, fireworks, bull riding and live music events. I agree, and consider the MONSTER ENERGY trademark to be somewhat suggestive in respect of these services. However, I do not consider the Opponent's trademark M MONSTER ENERGY & Design, which is listed in association with "silicone wrist bands; silicone bracelets; jewelry, namely bracelets and wristbands", to hold any suggestive connotation in respect of these goods. The design element in this mark, namely the long claw icon, further increases the inherent distinctiveness of this mark.

[25] With respect to the Applicant's trademark GENTLE MONSTER, I consider it to be inherently distinctive in that the elements comprising the Mark are arbitrary in nature and are not descriptive or suggestive of the Services.

Extent known and length of time in use

[26] The strength of a trademark may be increased by means of it becoming known through promotion or use.

[27] A declaration of use was filed for the Opponent's registration No. TMA989,437 for the trademark MONSTER ENERGY on January 26, 2018, and registration No. TMA985,974 for MONSTER ENERGY is based on use and registration in the United States. The Opponent filed a declaration of use for registration No. TMA932,892 for the trademark M MONSTER ENERGY & Design on March 29, 2016.

[28] The Opponent takes the position that its MONSTER marks, "especially MONSTER ENERGY (TMA985,974), have acquired substantial distinctive character in Canada, having become well-known and famous to Canadian customers as a result of massive sales, advertisement and promotion of the Opponent's goods and services in Canada" (written representations at para 35). In this regard, the Sacks affidavit states that:

- Monster's brands, including its famous claw icon (depicted below) and its MONSTER and MONSTER ENERGY brands are well known throughout the United States and Canada (para 5):



- Monster is the lawful owner of the MONSTER and MONSTER ENERGY marks and other marks containing MONSTER, including but not limited to two MONSTER ENERGY and claw design marks, collectively referred to as the MONSTER Marks (para 6).
- Monster launched its MONSTER energy beverage line in Canada in 2003. All MONSTER energy drinks sold in Canada bear one of the MONSTER Marks. As of the 52 week period ending June 24, 2017, Monster held a 32.5% market share by unit volume in Canada (para 9).
- Millions of cans of MONSTER energy drinks bearing the MONSTER Marks are sold each month in Canada. Total sales and number of cans of MONSTER energy drinks sold in Canada since the launch in 2003 to September 30, 2016 are over 525 million cans corresponding to over \$613 million in sales (para 14).

- In Canada, the MONSTER energy drinks are sold in over 33,000 total outlets, in the channels of retail stores, gas stations and other outlets such as grocery stores, drug stores, and on-premise (para 16).
- Monster's marketing strategy is not conventional in that it does not use direct television or radio advertising to promote the MONSTER Marks, but through its marketing strategy these trademarks receive substantial exposure on television, the Internet, in magazines, and at live events (para 20).
- Monster allocates the majority of its marketing, advertising and promotional budget on athlete endorsements and sponsoring athletic competitions and other events. In particular, Monster's marketing focus includes international events, including but not limited to events that are webcast on the internet to reach its primary target market of young adults aged 18 to 34 years old, primarily males, though this demographic of consumers has expanded over time and MONSTER ENERGY drinks are increasingly being consumed by more females as well as older persons (para 21, 27).
- In addition to the actual contractual amounts paid to sponsor athletes and racing teams, Monster expends substantial amounts in supporting the sponsored athletes, teams and sports through point of sale materials, sweepstakes and give-a-ways, wrapping/branding the athletes' vehicles, paying for the athletes' travel expenses and by providing them with Monster-branded apparel, free products for sampling stations, and action sports gear bearing the MONSTER Marks. Further, Monster hires employees and outside companies to attend events to support and monitor the sponsored athletes at every event and to provide hospitality and sampling of products to consumers (para 21, Exhibit RCS-3).
- Monster has widely advertised, marketed and promoted its MONSTER energy drinks bearing the MONSTER Marks through the sponsorship of athletes and athletic competitions around the world (which includes vast media and Internet coverage), on apparel and merchandise bearing the MONSTER Marks distributed in retail outlets, in magazines, on the MONSTER and other internet websites, through social media such as its Facebook page, in publications, through the sponsorship of music festivals and musicians, and through the distribution of point of sale and promotional materials (para 24).
- The MONSTER energy drinks are the subject of substantial and continuous advertising, marketing and promotion. Since 2002, Monster has spent more than \$4.3 billion (USD) in advertising, marketing and promoting its MONSTER energy drinks throughout the world. For the period of 2011 up to and including September 2016, Monster has spent more than \$147 million (USD) in advertising, marketing, and promoting its MONSTER energy drinks in Canada (para 25).
- Monster allocates a large proportion of its marketing, advertising and promotional budget on athlete endorsements and sponsoring athletic competitions and other events including Formula 1 Racing, Moto GP, and Supercross (para 27).

- Viewers of Monster sponsored sports events are exposed to the MONSTER Marks throughout the entire duration of these events; especially those viewers in close proximity to the race action, for example (and depending on the event) on banners lining the track, on the press backdrop, the podium backdrop, the race starting bridge and grid wall, athlete uniforms and athlete equipment. In addition to exposure on television, the MONSTER Marks receive exposure on the internet and in printed publications covering the events (para 32; Exhibit RCS-4).
- In addition to its sponsorship of international sports events, Monster has also sponsored a number of Canadian events including the Monster Energy Motocross Nationals (title sponsor from 2007-2011), the Shred Show snowboarding competition event in Whistler BC (from 2011-2015), the annual North by Northeast music, film, and arts festival held in Toronto (2011-2013), Canadian Music Week (2013-2015), the Ruckus in the Rockies snowboard team competition held in Lake Louise, AB (2011-2014), the Montreal Supermotocross (2010-2012), the Center of Gravity beach festival in Kelowna, BC (2012-2017), and the Grand Prix de Trois-Rivieres motor racing event (2014-2017). Particulars of the attendance for some of these events is provided in the affidavit (paras 119-126).
- Since 2002, Monster has used, and/or has licensed the use, around the world, including in Canada, of its MONSTER Marks on clothing, including t-shirts, hooded sweatshirts, sweat shirts, jackets, pants, bandanas, sweat bands, gloves, and headgear. Monster also uses its MONSTER Marks and/or has licensed use of the MONSTER Marks on other products ranging from sport helmets to silicone wrist bands and sticker kits to all-purpose carrying bags. Monster has given approval to a number of companies to sell apparel and merchandise which bears the MONSTER Marks, which creates further exposure for the brand. To ensure the MONSTER Marks are used appropriately and consistently with its image, Monster controls the quality of any apparel and merchandise bearing the MONSTER Marks (para 144).

[29] I note that in its written representations, the Applicant submits that the statement by Mr. Sacks at paragraph 1 of his affidavit does not provide sufficient facts to describe that the trademark use described in his affidavit enures to the Opponent. Portions of the Applicant's submissions on this point are reproduced below:

11. Mr. Sacks states that "I am the Chairman and Chief Executive Officer of Monster Beverage Corporation and its subsidiaries including Monster Energy Company ("Monster"), which has also done business as Monster Beverage Company, the Opponent in this matter. I sometimes refer to Monster as 'my company' in this Affidavit."

Sacks Affidavit at para 1.

12. This paragraph is very unclear. Mr. Sacks identifies Monster Beverage Corporation or "Monster Beverage Company" as the Opponent, neither of which are the Opponent. Mr. Sacks refers to two entities: (1) a parent company Monster Beverage Corporation, and (2) its subsidiary Monster Energy Company, together as "Monster", or perhaps Monster

Beverage Corporation is being referred to solely as “Monster.” This is problematic for the rest of the Affidavit as we do not know which company is alleged to have a reputation in Canada in respect of the evidence he provides, or if it is only Monster Beverage Corporation that is alleged to have the reputation.

[30] However, at the hearing, the Applicant’s submissions did not touch on whether the use shown in the Sacks affidavit enures to the benefit of the Opponent. Rather, the Applicant argued that the Opponent’s marketing and promotional strategy and its use of the MONSTER ENERGY Marks within that strategy do not constitute trademark use in association with the Opponent’s cited services since the advertising of its own goods does not provide a benefit to the public (this argument is addressed below). Moreover, at the hearing, the Applicant acknowledged in its assessment of the section 6(5) factors that the Opponent’s MONSTER ENERGY Marks had become known in Canada, certainly in association with energy beverages, but also likely in association with its sponsorship of extreme sports.

[31] While I agree that the first paragraph of the Sacks affidavit could have been clearer, based on the foregoing, and considering that the Applicant chose not to cross-examine Mr. Sacks when it had the opportunity to do so, I am prepared to find that the use of the MONSTER Marks set out in the Sacks affidavit enures to the benefit of the Opponent.

[32] I will now turn to the Applicant’s argument that the Opponent’s promotional and advertising activities are only for the benefit of the Opponent’s business, and not for the benefit of the public and therefore should not be considered use pursuant to section 4(2) of the Act. At the hearing, the Opponent acknowledged that the Opponent’s promotional activities create a certain benefit for the Opponent’s energy drinks, which are at the center of its promotional activities, but submitted that these promotional and sponsorship activities also “have a life of their own” insofar as they also benefit third parties. In support, the Opponent cited the approach taken in *Bicycle Group Inc v Rona Inc*, 2006 CanLII 80382 (CA TMOB), where the Registrar considered whether the applied-for services “sponsorship of bicycle racers” were services within the meaning of section 4(2) of the Act considering they were activities to promote the applicant Rona Inc.’s services of the sale of building materials, hardware, renovation and gardening equipment. In finding that they did properly constitute services, Member Carrière reasoned that:

Since sponsoring is a financial assistance service for promotional purposes, it is normal that the sponsor, in our case the applicant, derives some visibility from it. The consumer of this service, the racing cyclist(s), will receive this financial assistance in return for their performance during the race and the general public will benefit from this service for it will attend a sports event (a race). The fact that the applicant derives a certain benefit, the promotion of its business, has no effect on the actual nature of the services for which the application for registration was filed.

[33] I agree that the same rationale may be applied in the present case in that the mere fact that the Opponent derives some benefit from these promotional and sponsorship services does not detract from the fact that these services also benefit third parties and thus properly constitute services under section 4(2) of the Act.

[34] At the hearing, the Applicant further noted that the exhibits to the Sacks affidavit show that the Opponent is typically not the exclusive sponsor of these events, and that the Opponent's trademarks appear alongside those of other sponsors on sponsored athletes' apparel, helmets, equipment, or on event signage (see for example, Exhibit RCS-5 at page 46 and Exhibit RCS-6 at page 50). I do not consider this to affect the provision of the Opponent's promotional services in any meaningful way as there is no indication that consumers (both the recipients of the financial assistance and the public viewing the sponsored athlete or event) would not understand that sponsorship need not be exclusive. As an aside, I note that even if there are multiple sponsors (and thus multiple third party marks), often times the Opponent's MONSTER ENERGY mark is more prominently featured.

[35] Based on the foregoing, I find that the Sacks affidavit establishes that the Opponent's MONSTER ENERGY trademark has acquired a significant degree of distinctiveness in association with its promotion of sporting events and competitions.

[36] With respect to the goods "silicone wrist bands; silicone bracelets; jewelry, namely bracelets and wristbands" in the Opponent's registration for M MONSTER ENERGY & Design, I do not find that the Sacks affidavit shows use under section 4(1) of the Act. While it includes a statement that the Opponent has licensed use of the MONSTER Marks on products including silicone wrist bands (at para 144) and refers to two Monster sponsored athletes that have worn branded wristbands (paras 102 and 110), there is no evidence that such wristbands have been available for purchase or purchased in Canada. As an aside, I would add that the filing of a

certified copy of the M MONSTER ENERGY & Design mark allows me to infer, at best, only *de minimis* use of this trademark [*Tokai of Canada v Kingsford Products Company, LLC*, 2018 FC 951 at para 37]. However, such an inference does not support the finding that this trademark was known to any significant extent or that it has been in continuous use [*Krauss-Maffei Wegmann GmbH & Co KG v Rheinmetall Defence Electronics GmbH*, 2017 TMOB 50 at para 20].

[37] The Application for the Mark is based on proposed use. Notwithstanding that significant portions of the First Roberts affidavit comprise hearsay, I find that at best, the affidavit establishes that some of the Applicant's goods (eyeglasses and sunglasses), which are not covered in the subject Application, may have been available for sale through the Applicant's and various third party websites, as well as in third party retail stores, at some point in 2017. Further, while the First Roberts affidavit contains some data on the number of Canadian visitors to the Applicant's website (Exhibit T), this information is hearsay with respect to Ms. Roberts and cannot be given much weight.

Nature of the goods, services or business; nature of the trade

[38] As for the goods, services and trades of the parties, it is the Applicant's statement of services in its Application and the Opponent's statement of goods and services in its registrations that govern [*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)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA)].

[39] With respect to the services covered under the Opponent's registrations for MONSTER ENERGY (TMA989,437 and 985,974), I find that they differ significantly from the Services of the Applicant. As I understand it, the Opponent takes the position that notwithstanding that the parties' services may generally be distinguished, that they still fall in the same Nice Class. However, the Act expressly excludes the Nice Classification from the confusion analysis in section 6(2) of the Act, especially when interpreted in light of Canada's international obligations

[as noted by the Federal Court in *Obsidian Group Inc v Canada (Attorney General)*, 2020 FC 586 at para 36]. At the hearing, counsel for the Opponent further submitted that the ‘437 registration covers, *inter alia*, the services of “online publication and provision of multimedia content in the nature of multimedia files containing audio, video, text, still images, and graphics in the fields of ... fashion...”, and that there is overlap with the Applicant’s Services insofar as both are generally associated with the fashion industry. I find this connection to be tenuous at best, particularly in the absence of evidence of overlap.

[40] With respect to the goods “silicone wrist bands; silicone bracelets; jewelry, namely bracelets and wristbands” in the Opponent’s registration for M MONSTER ENERGY & Design (TMA932,982), the Opponent submits that the Applicant is trying to obtain a registration for services relating to the sale of jewelry while the Opponent’s registration covers jewelry, and that as a result, the sale of jewelry by the Applicant could be likely to create confusion in the minds of consumers who could mistakenly be led to believe that the goods being sold are those of the Opponent. While it is possible that the Opponent’s jewelry or jewelry of the same type could be sold by the Applicant, I consider that the difference in the nature of the goods, services and business of the parties means this factor still favours the Applicant. The Applicant’s evidence suggests that the Applicant is generally in the business of selling designer eyeglasses at a higher price point (\$275+) to select retailers (First Roberts affidavit, Exhibits A-F), while the core of the Opponent’s business relates to energy drinks that are sold in retail stores including grocery stores, drug stores, and gas stations at a much lower price point (under \$5) (First Roberts affidavit, Exhibits R, S), advertised through sponsorship of extreme events which are primarily targeted to an audience of young adult males.

Degree of resemblance

[41] In most instances, the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [*Beverly Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2) 145, conf. 60 CPR (2d) 70 (FCTD)].

[42] In *Masterpiece, supra*, the Court observed that while the first word (or syllable) of a trademark may, for purposes of distinctiveness, be the most important in some cases [*Conde Nast*

Publications Inc v Union des editions moderns (1979), 46 CPR (2d) 183 (FCTD)], a preferable approach is to first consider whether there is an aspect of the trademark that is particularly striking or unique.

[43] The Opponent takes the position that the Applicant's Mark and the Opponent's MONSTER ENERGY Marks share the word MONSTER, which results in significant visual and phonetic similarities between the marks, and that there is also similarity in the ideas suggested in that both parties' marks suggest similar ideas, namely being of edginess or ferociousness (Opponent's written representations at para 58).

[44] The Opponent further submits that while it may be said that the Applicant's Mark differentiates itself from the Opponent's MONSTER ENERGY Marks by the addition of the term "GENTLE", that the dominant element of the Mark is the term MONSTER.

[45] The Applicant takes the position that the ideas suggested by the parties' marks is very different. An excerpt of the Applicant's written representations on this point is set out below:

71. Grammatically, the Applicant uses the word MONSTER as a noun modified by the word GENTLE thus evoking the ideas of a monster that is gentle; calm, kind or soft. The Opponent's marks use MONSTER as an adjective modifying the noun ENERGY, thus evoking the idea of a type of energy that is monstrous; very big, and frightening. These ideas are very different. MONSTER ENERGY refers to a concept whereas GENTLE MONSTER refers to a thing. The feelings associated with these different phrases are opposites: calm, kind soft creature/thing versus frightening, strange, big concept.

[46] The Applicant further submits that the parties' marks are also dissimilar in sound and appearance as the first words of the parties' marks are different, since the first word of a trademark is often considered the most important and dominant.

[47] In my view, the word MONSTER constitutes the most striking element of the Opponent's trademark MONSTER ENERGY. Given that the applied-for Mark shares this word, which I also consider to be a striking element of the Mark, notwithstanding that there are structural differences between the parties' marks (with MONSTER occupying a different position in both marks), I find there is a fair degree of visual and phonetic resemblance between them.

[48] That said, I also find the combination of the words GENTLE and MONSTER in the Mark to be a striking and unique feature. The pairing of these words is unusual as they hold contrary meanings, with the result that the overall meaning of the Mark is somewhat paradoxical. Although the Mark contains the word MONSTER, considering the ideas suggested by the Mark in its entirety, I do not agree that it evokes the idea of being edgy or ferocious, as suggested by the Opponent, or that it is in any way suggestive of a big or aggressive energy. Accordingly, the parties' marks are very different in the ideas suggested.

[49] With respect to the Opponent's M MONSTER ENERGY & Design mark, I note that there is a slightly lower degree of visual resemblance between the Applicant's Mark and the Opponent's M MONSTER ENERGY & Design trademark as this mark prominently features a long claw-like design element, whereas the Mark does not.

[50] Overall, when the three aspects of resemblance are considered together, I find that the parties' marks are more different than alike.

Surrounding circumstance – state of the register

[51] State of the register evidence favours an applicant when it can be shown that the presence of a common element in marks would cause consumers to pay more attention to the other features of the marks, and to distinguish between them by those other features

[*McDowell v Laverana GmbH & Co. KG*, 2017 FC 327 at para 42]. Inferences regarding the state of the marketplace may be drawn from such evidence in two situations: a large number of relevant registrations are located; and/or there is evidence of common use in the marketplace of relevant third party marks [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA); *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paras 41-46]. Relevant trademarks include those that (i) are registered; (ii) are for similar goods and services as the marks at issue, and (iii) include the component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197].

[52] The Second Roberts affidavit provides the results of a search for active registrations containing the word MONSTER (Second Roberts affidavit, para 2; Exhibit A); there are no limitations on the goods and services covered in this search. While Ms. Roberts' search yielded

177 registrations, approximately 25 of these stand in the name of the Opponent. The Applicant's registration for GENTLE MONSTER & Design is also included. On review of the search results, I find a large number of the registrations to be irrelevant as they are not listed for use with goods and services similar to the parties' marks. For example:

- Approximately 10 of the registrations stand in the name of JWC Environmental. LLC and generally cover goods and services relating to waste treatment.
- Approximately 25 of the registrations stand in the name of Monster, Inc. and generally cover computer products, cables, batteries and related services.
- Approximately 14 of the registrations stand in the name of Monster Worldwide, Inc. and generally cover employment services.
- Over 50 of the registrations stand in the name of third parties and cover completely dissimilar goods or services such as breakfast cereals (MONSTER CEREALS), plastic bags for cotton candy (THE MONSTER BAG), plant fertilizer (MONSTER BLOOM and MONSTER GROW), shortcake (LOCH NESS MONSTER), metal gutter cover systems (GUTTER MONSTER), animal feed (MONSTER DEER BLOCK), Middle Eastern sandwiches (MONSTER), insurance brokerage services (MONSTER INSURANCE), pet brushes (PAW MONSTER), mascara (MONSTER LASH), windows (MONSTER GLASS), hockey sticks (MONSTER HOCKEY), tattoo machines (GREEN MONSTER), animal attractant scents (GRIM'S MONSTER MIX), and real estate services (MONSTER NEGOTIATOR).

[53] In addition, several of the marks do not appear to be relevant as they appear very different from the Applicant's Mark and the Opponent's MONSTER ENERGY Marks.

[54] In view of the foregoing, when coupled with the absence of state of the marketplace evidence, I do not consider the state of the register to be a relevant surrounding circumstance assisting the Applicant.

Surrounding circumstance – Applicant’s prior registration for GENTLE MONSTER & Design

[55] The Applicant owns registration No. TMA945,059 for the trademark GENTLE MONSTER & Design covering goods including spectacles (optics); sunglasses, spectacle lenses; chains for spectacles; eyeglass frames, and anti-glare glasses. However, it is well-established that section 19 of the Act does not give the owner of a registration an automatic right to obtain a further registration no matter how closely it is related to the prior registration [*Groupe Lavo Inc v Proctor & Gamble Inc* (1990), 32 CPR (3d) 533 at 538 (TMOB)]. Further, there are no circumstances in this case that would support a finding that the existence of this prior registration is a relevant surrounding circumstance [*Caesarstone Sdot-Yam Ltd v Ceramiche Caesar S.P.A* 2016 FC 895 at paras 50-56]. Accordingly, I do not consider this to be a surrounding circumstance assisting the Applicant.

Fame of the Opponent’s MONSTER ENERGY trademarks

[56] In its written representations, the Opponent submits that its MONSTER ENERGY Marks and especially registration No. TMA985,974 for MONSTER ENERGY, have acquired a significant amount of distinctiveness in Canada to the point where they may now be regarded as well-known if not famous marks which transcend, to some extent, the goods and services with which they are traditionally associated, namely beverages, clothing, headgear as well as various types of promotion, entertainment and sponsorship services. While I find the Opponent’s evidence establishes that the Opponent’s trademark is well-known in association with the above-referenced promotional and sponsorship services, it does not establish that this renown would extend beyond this very specific association to the Services of the Applicant, which are unrelated to the goods, services and business of the Opponent [see *Joseph E. Seagram & Sons Ltd v Seagram Real Estate Ltd* (1990), 33 CPR (3d) 454 at pp 467-68 where MacKay J. noted that consideration of possibilities of diversification is properly restricted to the potential expansion of existing operations and should not include speculation as to diversification into entirely new ventures, including new kinds of goods, services or businesses, also cited in *Mattel, supra* at para 82].

[57] Moreover, I would add that while the Opponent has noted the fame of its MONSTER ENERGY marks in association with energy beverages, that it has not asserted in its statement of

opposition any MONSTER ENERGY trademarks (or others) registered in association with energy drinks.

Conclusion on the likelihood of confusion

[58] Having considered all the surrounding circumstances, in particular the degree of resemblance and limited similarity in the goods and services of the parties, I find that the Applicant has met the onus on it to show that the balance of probabilities weighs in its favour on the issue of confusion. Accordingly, the section 12(1)(d) ground of opposition is rejected.

SECTIONS 16 AND 2 GROUNDS OF OPPOSITION

[59] The material date for a ground of opposition under section 16(3)(a) and 16(3)(b) is the filing date of the application. The material date for a section 2 ground of opposition is the date of filing of the statement of opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[60] In this case, the date at which the issue of confusion is assessed does not change the results of my analysis. Accordingly, to the extent that the Opponent has met its initial burden in respect of these grounds, they all fail for reasons similar to those set out with respect to the section 12(1)(d) ground of opposition.

SECTION 30 GROUNDS OF OPPOSITION

[61] The material date for a ground of opposition based on section 30 of the Act is the filing date of the application [*Georgia-Pacific Corp. v Scott Paper Ltd*, 3 CPR (3d) 469 at 475].

[62] The Opponent has pleaded that contrary to section 30(e), the Applicant, by itself and/or through a licensee, never intended to use the Mark in Canada in association with the Services. In the alternative, the Opponent has pleaded that contrary to section 30(e), the Applicant was already using the Mark in Canada in association with each or some of the Services.

[63] However, no evidence or submissions were filed in support of these allegations with respect to the Applicant's Application. The Opponent has therefore failed to meet its initial burden and this ground of opposition is rejected.

[64] The Opponent has also pleaded that contrary to section 30(i), the statement that the Applicant is satisfied as to its entitlement to the use of the Mark in Canada is false in view of the content of the present opposition, including the knowledge of the Applicant of the rights of the Opponent as herein alleged and of the unlawfulness of said use, if any:

- such use would be, was and is unlawful in that such use is encroaching upon the proprietary rights, as alleged herein, of the Opponent;
- such use would be, was and is unlawful in that such use is likely to have the effect of depreciating the value of the goodwill attaching to the trademarks alleged by the Opponent, contrary to section 22 of the Act;
- such use would be, was and is unlawful in that such use would direct public attention to the Applicant's goods, services or business in such a way as to cause confusion in Canada between these goods, services or business and those of the Opponent, contrary to section 7(b) of the Act.

[65] The Opponent did not file any submissions in support of the 30(i) grounds of opposition, nor did it make any submissions on them at the hearing.

[66] Where an applicant has provided the statement required by section 30(i) of the Act, this 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), 15 CPR (2d) 152 (TMOB) at 155]. The mere knowledge by the Applicant of the existence of the Opponent's MONSTER ENERGY Marks does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [*Woot Inc v Woot Restaurants Inc/Les Restaurants Woot Inc*, 2012 TMOB 197]. In this case, the Applicant has provided the necessary statement and this is not an exceptional case. Accordingly, the first prong of this ground of opposition fails.

[67] With respect to the second and third prongs, I find that the Opponent has not met its burden with respect to establishing all three elements required to show a violation of section 7(b) of the Act [as set out in *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 at para 33 cited

by *Pharmacommunications Holdings Inc v Avencia International Inc*, 2008 FC 828 at para 41], nor does the Opponent's evidence support a likelihood of depreciation of goodwill which would establish a violation of section 22 [as set out in *Veuve Cliquot* at paras 46, 63-68]. For instance, there is no evidence of deception of the public due to misrepresentation. Further, I am not satisfied that there is likely to be a mental linkage in the mind of a typical consumer between the Applicant's Mark and the Opponent's trademarks given the lack of resemblance between them.

[68] Accordingly, as the Opponent has failed to meet its initial burden the section 30(i) grounds of opposition are rejected.

DISPOSITION

[69] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Jennifer Galeano
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2021-11-24

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