



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 264

Date of Decision: 2022-12-28

IN THE MATTER OF AN OPPOSITION

Opponent: Liberty Merchant Company Ltd.

Applicant: LIDL STIFTUNG & CO. KG

Application: 1,641,790 for LIBERTÉ

OVERVIEW

[1] Liberty Merchant Company Ltd. (the Opponent), a Vancouver-based organization involved in the alcoholic beverage industry, owns two registered trademarks for LIBERTY. Lidl Stiftung & Co. KG (the Applicant) is a German company who in 2013 applied to register the word mark LIBERTÉ (the Mark) in association with “distilled spirits, namely rum and with rum based alcoholic beverages not containing ale, beer and any other malt containing beverages” (the Goods). The Opponent opposed registration of the Mark. The grounds relied upon by the Opponent will be detailed below, however the central issue in this proceeding is whether there is a likelihood of confusion between these marks when considered in association with their respective goods and services. For the reasons that follow, the opposition is successful, and the Application is refused.

THE RECORD

[2] The Applicant applied to register the Mark on September 3, 2013. The Application was advertised in the *Trademarks Journal* on November 13, 2019. Since the Mark was advertised after the coming into force of the numerous amendments to the *Trademarks Act*, RSC 1985, c T-13, (the Act), on June 17, 2019, under section 69.1 it is the Act as amended that applies to this proceeding.

[3] The Opponent filed a Statement of Opposition, under section 38 of the Act, on January 14, 2020. The grounds of opposition are based on non-registrability pursuant to section 12(1)(d) of the Act, non-entitlement under sections 16(1)(a) and (c), non-distinctiveness under section 2 of the Act and section 38(2)(e) namely the Applicant did not use or did not propose to use the Mark in Canada in association with the Goods and Services .

[4] The LIBERTY registrations relied upon by the Opponent in respect of the non-registrability ground are:

Registration No. TMA605,283, covering retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages; and

Registration No. TMA949,967, covering distilled spirits namely, vodka, gin, whiskey; operation of a distillery; manufacturing, sale, importation and bottling of distilled spirits; and, providing the service of distilled spirit tastings

[5] The Applicant denied each ground of opposition in a counterstatement filed and served on March 5, 2020.

[6] Only the Opponent filed evidence, this comprising the affidavit of Mr. Robert Simpson, President, Director and signing authority for the Opponent and the affidavit of Ms. Dulce Campos, a searcher employed with the Opponent's Agent firm. Neither affiant was cross-examined.

[7] The Opponent filed written representations, while the Applicant did not. No hearing was held.

SUMMARY OF THE EVIDENCE

[8] In reaching my decision I have considered all evidence and summarize the pertinent portions below.

Opponent's Evidence of Mr. Robert G. Simpson

[9] Mr. Simpson's evidence shows:

- The Opponent's business was incorporated in 1987 (Simpson affidavit, para 2).
- Since "inception", the annual net Canadian revenue attributed to the sale and advertising of the Opponent's goods and services bearing the LIBERTY mark is in the millions of dollars (Simpson affidavit, para 18).
- The Opponent has, for many years, operated retail locations selling alcoholic beverages in the greater Vancouver area and Langley, British Columbia in association with the LIBERTY trademarks (Simpson affidavit, para 11(b)).
- Since 1999 Liberty Wine Merchants Ltd, a wholly owned subsidiary, of which Mr. Simpson is General Manager, has used the LIBERTY trademarks under license (Simpson affidavit, paras 4 and 5).
- Images of external signage for three locations showing the LIBERTY trademark (Simpson affidavit, para 11(c)(d) and (e) and Exhibits H, I and J).
- Photographs of paper, cloth and plastic bags used by the Liberty retail stores and bearing the LIBERTY trademark along with the explanation that these are used at each of the Opponent's retail locations (Simpson affidavit, para 11(f) and Exhibit K).
- Representative retail invoices to support the claim to sales of the Opponent's goods, and provision of its services. These cover the years 2012, 2013, 2014, 2015 and 2020 and list products that include wine (Simpson affidavit, para 11(g) and Exhibit L).

- An example of an in store promotional sign showing “LIBERTY at Granville Island” positioned in close proximity to food and wines (Simpson affidavit, para 11(j)(iii) and Exhibit Q) .
- WayBack Machine internet archival documents for the websites *www.libertywinemERCHANTS.com* and *www.libertyMERCHANTcompany.com* dated between 2012 and 2015 showing the LIBERTY trademark along with information that includes the promotion of the Opponent’s private retail sale of wine through a chain of outlets and product information (Simpson affidavit, paras 11(a) and (b), Exhibits E and F).
- Newspaper stories from the Georgia Straight newspaper about awards to the Opponent’s licensee, Liberty Wine Merchants, in 2014 and 2015 (Simpson affidavit, para 11(i) and Exhibit N).
- Advertisements for charity events showing the LIBERTY trademark (Simpson affidavit, para 11(j) and exhibits O and P).
- In respect of the establishment of The Liberty Distillery by the Opponent, Mr. Simpson states that its inception was in 2010 (Simpson affidavit, para 9). Following planning and construction, The Liberty Distillery opened in the fall of 2013 (Simpson affidavit, para 12).
- Internet archival information from the WayBack Machine website comprising a copy of the landing page for *www.thelibertydistillery.com* showing more than one hundred captures since 2011. Unlike the other website archives, no website contents have been included (Simpson affidavit, para 11(b) and Exhibit F).
- Paper bags used by The Liberty Distillery, described as “merchandising items” displaying the LIBERTY mark (Simpson affidavit, para 14 and Exhibit S).

- One representative invoice dated November 27, 2013 pertaining to the retail sale of vodka by The Liberty Distillery, along with a photograph of the bottle sold. The LIBERTY trademark appears on the bottle (Simpson affidavit, para 13 and Exhibit R).
- Awards and recognitions for the period of 2016-2020 relating to The Liberty Distillery products and services as well as an entry in a book titled the Whiskey Bible (Simpson affidavit, paras 16 and 17 and Exhibits T and U). No information as to scope of distribution of these materials has been provided.

Opponent's Evidence of Ms. Dulce Campos

[10] Ms. Campos conducted searches of websites and provided printouts of her results. She visited the website for The Liberty Distillery, as well as various associated social media sites. Some of these websites displayed comments from Canadians.

EVIDENTIAL BURDEN AND LEGAL ONUS

[11] The Opponent has an initial evidential burden 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)]. It is only once this initial burden is met that the Applicant must then establish, on a balance of probabilities, that its application does not contravene the provisions of the Act referenced in the statement of opposition.

GROUNDS OF OPPOSITION SUMMARILY DISMISSED

Section 38(2)(a) and 30(2)(a) Ground of Opposition

[12] The Opponent pleads that the Goods described as “rum based alcoholic beverages not containing ale, beer and any other malt beverages” are not specified in ordinary commercial terms as the statement does not contain sufficient information to determine the type of beverages.

[13] The Opponent's brief submissions as to why the terminology does not meet the requirements of section 30(2)(a) are essentially that the wording "...other malt containing beverages is vague and not normal commercial terminology".

[14] The Opponent's evidential burden is light and at times might even be met through argument alone [*McDonald's Corporation and McDonald's Restaurants of Canada Ltd v MA Comacho-Saldana International Trading Ltd carrying on business as Macs International* (1984), 1 CPR (3d) 101 at 104 (TMOB)]. However, there is no evidence of record in support of this ground and the Opponent did not provide cogent submissions detailing why this term does not meet the requirements of section 30(2)(a). Rather, the Opponent simply objected to the term "other malt containing beverages" stating it is vague and not in normal commercial terms as "other" is vague and inconclusive. I therefore find the Opponent has not met its initial evidential burden and this ground of opposition is summarily dismissed.

Section 38(2)(e) Ground of Opposition

[15] The Opponent pleads that the Applicant was not using, or did not propose to use, the Mark as of the filing date of the application. Again, no evidence of record supports this ground. Additionally, I note the Opponent did not refer to this ground in its written representations. I therefore summarily dismiss this ground of opposition as well.

GROUND OF OPPOSITION CONSIDERED

Section 12(1)(d) Ground of Opposition

[16] The Opponent pleads under sections 38(2)(b) and 12(1)(d) that the Mark is not registrable in light of the Opponent's two LIBERTY registrations. As stated above, the earlier Registration, TMA605,283, covers retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages. The second registration, TMA949,967, covers distilled spirits namely, vodka, gin, whiskey; operation of a distillery; manufacturing, sale, importation and bottling of distilled spirits; and providing the service of distilled spirit tastings.

[17] The material date for assessing the likelihood of confusion with registered marks, is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and the Registrar of Trade Marks*, 1991 CanLII11769 (FCA)].

[18] I have exercised my discretion to check the register and confirm that the Opponent's registration Nos. TMA605,283 and TMA949,967 for LIBERTY remain extant and in good standing [*Quaker Oats Co of Canada/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden for the section 12(1)(d) ground of opposition. I must now determine whether the Applicant has met its legal onus of proving that on a balance of probabilities there is no likelihood of confusion between the Mark and either of the Opponent's registered LIBERTY trademarks.

Test for Confusion

[19] In applying the test for confusion, the Registrar must have regard to all surrounding circumstances, including the following criteria listed at section 6(5) of the Act: i) the inherent distinctiveness of the trademarks and the extent to which they have become known; ii) the length of time the trademarks have been in use; iii) the nature of the goods, services or business; iv) the nature of the trade; and v) the degree of resemblance between the trademarks, including in appearance, sound or ideas suggested. This list is not exhaustive, rather all relevant factors are considered. These factors do not have to be attributed equal weight [*Mattel, Inc v. 3894207 Canada Inc* 2006 SCC 22; and *Masterpiece Inc v. Alavida Lifestyles Inc*, 2011 SCC 27].

[20] Confusion is 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 that consumer has no more than an imperfect recollection of the Opponent's mark, and does not pause to give the matter any detailed consideration or scrutiny, or to examine closely the similarities and differences between the marks [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[21] The trademarks should be assessed from the point of view of the average unilingual Anglophone consumer, average unilingual Francophone consumer and the

average bilingual consumer. Confusion within any of these groups will suffice to conclude the marks are confusing [*SmithKline Beecham Corp v Pierre Fabre Médicament*, 2001 FCA 13 at para 15].

Degree of resemblance between the trademarks

[22] The Supreme Court of Canada has suggested in *Masterpiece* at para 49, that a consideration of the resemblance between the marks is where most confusion analyses should start. If the marks do not resemble each other, it is unlikely that even a strong finding on other factors would lead to a finding that there was a likelihood of confusion.

[23] In its written representations the Opponent relies on a definition it has taken from Merriam-Webster's on-line dictionary for the term liberty, as well as an online translation of the term LIBERTÉ taken from the website at *www.translate.com*. Although the definition and translation were not in evidence, I may exercise my judicial authority to take judicial notice of the usual meaning of words [*Pfizer Co. Ltd. v Deputy Minister of National Revenue*, 1975 1 SCR 456 at 463].

[24] I note that in the *Canadian Oxford Dictionary (2 ed.)* the word liberty means 1. freedom from captivity, imprisonment, slavery or despotic control, a personification of this, or 2. the right or power to do as one pleases.

[25] In addition, I note the *Pocket Oxford-Hachette French Dictionary, (4 ed.)*. equates liberty to liberté.

[26] The similarity in meaning of the terms "liberty" and "liberté" allows me to conclude that the marks convey the same idea, at least to bilingual consumers.

[27] I also find that whether considered by a French, English or bilingual speaker there is considerable similarity in the marks as written or when sounded. When viewed, the marks differ by only the final letter. The terms, when sounded, share phonetic similarity as well. The dictionary definitions reproduced above allow me to conclude the idea suggested by the parties' respective marks are the same.

[28] I therefore find that there is a high degree of resemblance between the Mark and the Opponent's LIBERTY trademarks. This criterion favours the Opponent.

Inherent distinctiveness and the extent to which the marks have become known

[29] This statutory factor requires a two-part analysis that considers both the inherent uniqueness of the trademarks when considered in association with the goods or services, and also the extent to which they have become known in Canada through, for example, use or promotional activities. A mark that is a coined term or comprises an ordinary word unrelated to the associated goods or services will have a higher degree of inherent distinctiveness than one which is laudatory, suggestive or descriptive of the goods or services.

[30] The Mark and the Opponent's two LIBERTY trademarks are inherently distinctive as the words "liberty" and "liberté" have no meaning when considered in association with the goods and services of the parties.

[31] As indicated above, the Applicant has not filed any evidence and therefore I cannot assess to what extent the Mark is known in Canada.

[32] Mr. Simpson's uncontested evidence is that the Opponent enjoyed sales in the millions of dollars annually, since its inception, in association with LIBERTY-branded goods or services. I take "inception" to mean the date of incorporation which is 1987.

[33] While the proof of use of the Opponent's LIBERTY marks is not as precise or as extensive as it might be, I find that the Opponent has established use of the trademark in association with retail store services featuring alcoholic beverages since as early as 1987. I base this conclusion primarily on Mr. Simpson's uncontested statements (paras 2 and 18 of his affidavit) along with depictions showing the exterior signage of the LIBERTY trademark (Exhibits H, I and J to his affidavit) and invoices associated with the sale of goods that include wines (Exhibit L of his affidavit). These sales would have allowed the mark to become known to some extent in association with these services.

[34] I find that use of LIBERTY in association with distilled spirits namely vodka, gin and whiskey, operation of a distillery and sale of distilled spirits began some time in November, 2013. I base this determination on Mr. Simpson's statement that the distillery opened in the fall of 2013 (para 12 of his affidavit) and the copy of what he refers to as invoice # 16 from The Liberty Distillery and a depiction of the vodka bottle with which that particular sale was associated (Exhibit R to Mr. Simpson's Affidavit).

[35] I further conclude that there is some limited evidence of promotion of the Opponent's goods and services and this would have enhanced the extent to which the LIBERTY trademarks were known in Canada. For example, the LIBERTY trademarks appearing on exterior and interior signage and on bags promote the Opponent's goods and services (Exhibits H, I, J, K and Q to Mr. Simpson's affidavit). Likewise the operation of the Opponent's, as well as its licensee's, website (Exhibits E and F to Mr. Simpson's Affidavit) might have enhanced the extent to which the trademarks became known over the years. However, as I have no information as to the number of visits by Canadians to these websites I have not given this portion of the evidence much weight. I also cannot give significant weight to the evidence from Ms. Campos regarding the Opponent's website and social media information. Ms. Campos has no personal knowledge of the contents of these materials and there is no indication as to why the materials were not introduced by Mr. Simpson who presumably would have more knowledge of the websites.

[36] I therefore find that the criteria of inherent distinctiveness and the extent to which the marks have become known, favour the Opponent.

Length of time the marks have been in use

[37] As noted above under the previous heading, the Opponent has shown use of its mark since 1987. Earliest use by the Opponent of its LIBERTY trademark appears to be restricted to alcoholic beverages in the form of wines. I conclude, therefore, that for this 12(1)(d) ground of opposition, with its material date being the date of my decision, the Opponent can rely on a lengthy period of use of its LIBERTY trademark, Registration No. TMA605,283 covering retail store services featuring alcoholic

beverages excluding all types and styles of beer and beer-based beverages. Use of the LIBERTY trademark registered under no. TMA949,967, in association with the distillery related goods and services began in the fall of 2013, as discussed above. Therefore, in respect of the distillery related goods and services associated with Registration No. TMA949,967, the Opponent enjoys a shorter, but still considerable, period of use.

[38] Since the Applicant has not evidenced any use of the Mark, the criterion of length of time the marks have been in use favours the Opponent.

Nature of the Goods, Services, Businesses and Trade

[39] When considering the nature of the goods and services of the parties in the context of assessing the likelihood of confusion, it is the statements in the application and relied upon registrations that govern [*Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); and *Miss Universe, Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)]. Thus, the comparison is between the Goods of the Applicant, and the Opponent's goods and services.

[40] The 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.

[41] Since both parties are involved in the sale of alcoholic beverages the goods and services are very similar. Wine and spirits are considered to be products of one industry [*Carling Breweries Ltd v Registrar of Trade-marks* (1972), 8 CPR (2d) 247 (FCTD) at para 18]. For the Opponent's distilled spirits and related services covered by its Registration No. TMA949,967, I find the products and associated services to be very closely related, falling into the same explicit category of distilled spirits, and being part of the same industry. For the Opponent's retail store services featuring alcoholic beverages covered by its Registration No. TMA605,283, I find the products and services to overlap, and be part of the same industry.

[42] In the absence of evidence to the contrary from the Applicant, and given both parties operate within the same industry, there appears to be the potential for overlap in channels of trade.

[43] I therefore find that the similarity in goods, services and business and the overlapping channels of trade favour the Opponent.

Conclusion- Confusion

[44] A likelihood of confusion exists 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 or leased by the same person. Confusion will also be found if consumers believe that the goods and services are somehow approved, licensed or sponsored by an opponent [*Big Apple Ltd v BAB Holdings Inc* (2000), 8 CPR (4th) 252 (TMOB) at para 13]. As noted above, it is the degree of resemblance that is the statutory criterion likely to have the greatest effect in determining whether a likelihood of confusion exists. This is particularly so when the respective goods, services and channels of trade are similar or overlapping [*Reynolds Consumer Products Inc v PRS Mediterranean Ltd*, 2013 FCA 119, 111 CPR (4th) 155 at paras 26-30].

Confusion with the Opponent's Registration No. TMA949,967

[45] Having considered the statutory factors, and all surrounding circumstances, I find that the Applicant has not met its legal burden of proving, on a balance of probabilities, that there is no reasonable likelihood of confusion. Owing to the similarity in the trademarks themselves, the very closely related nature of the goods and services, as well as overlapping channels of trade, and the extent to which the Opponent's LIBERTY trademark has become known, I find that a consumer, upon seeing the Mark in association with the Goods, is likely to infer that these goods are manufactured, sold or approved by the Opponent.

Confusion with the Opponent's Registration No. TMA605,283

[46] Again having considered the statutory factors and all surrounding circumstances as they relate to Registration No. TMA605,283, I find that the Applicant has not met its

legal burden of proving on a balance of probabilities that there is no reasonable likelihood of confusion. Because of the similarity in the trademarks themselves, the very closely related nature of the goods and services as well as overlapping channels of trade, and the extent to which the Opponent's mark has become known, I find that a consumer, upon seeing the Mark in association with the Goods, is likely to infer that these goods are manufactured, sold or approved by the Opponent.

SECTION 16(1)(A) GROUND – NON-ENTITLEMENT

[47] The Opponent has relied on sections 38(2)(c) and 16(1)(a) pleading that the Applicant was not entitled to registration of the Mark because of the Opponent's prior use of its LIBERTY trademark. As is the case in respect of the 12(1)(d) ground discussed above, this ground turns on the issue of likelihood of confusion between the Mark and the Opponent's LIBERTY trademark.

[48] The analysis differs owing to the earlier material date in respect of this entitlement ground of opposition. Since there is no evidence of use of the Mark, the likelihood of confusion must be assessed as of the filing date of the application, namely September 3, 2013. To succeed in respect of this ground the Opponent must also establish non-abandonment of the relied upon trademark as of the date of advertisement of the Mark, namely November 13, 2019 (section 16(3) of the Act).

[49] The evidence is that the Opponent has used its LIBERTY mark in association with these retail store services since at least as early as 1987. Indeed, by 2013 the Opponent was operating several retail locations (para 11(b) of Mr. Simpson's affidavit).

[50] Invoices that substantiate sales in the ordinary course of trade are dated from 2012 to 2015 and 2020 (see Exhibits H, I and J to Mr. Simpson's affidavit). I note these are said to be a representative, not a comprehensive, sampling. Mindful of Mr. Simpson's statement that on his review of financial records, annual net revenues are in the millions of dollars since inception (para 18 of Mr. Simpson's affidavit), I find that the Opponent had not abandoned its LIBERTY mark as of November 13, 2019.

[51] The Opponent has therefore met its initial evidential burden in respect of this ground as it relates to the Opponent's LIBERTY mark used in association with retail store services featuring alcoholic beverages.

[52] On the question of whether the Opponent has met its burden in association with its distillery related goods and services, I rely on Mr. Simpson's statement that The Liberty Distillery establishment opened in the fall of 2013. Thus the Opponent has not shown use of its LIBERTY trademark in association with distillery related goods or services as of the material date of September 3, 2013. I conclude that the Opponent has not met its burden in respect of proving prior use of its LIBERTY trademark in association with the distillery related goods and services. I will therefore restrict my analysis of the likelihood of confusion to the Opponent's retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages.

[53] The analysis of the similarity of the Mark to the Opponent's LIBERTY mark used in association with retail store services featuring alcoholic beverages, under this ground is identical to that of the registrability ground discussed above.

[54] While the Opponent must rely on a shorter period of use owing to the earlier material date, because the Applicant has not evidenced any use of the Mark in Canada, the criteria of inherent distinctiveness and the extent to which the marks have become known, as well as the length of time the marks have been in use, favour the Opponent.

[55] Furthermore, the similarity in goods, services, businesses and channels of trade remain, notwithstanding the consideration is restricted to the Opponent's retail sales of alcoholic beverages in the form of wine. As noted above wine and spirits are considered products of one industry [*Carling Breweries Ltd, supra*] and the Applicant has not evidenced or argued any sort of distinction exists. Additionally, the fact that the Opponent, originally involved in the sale of wine, is now engaged in the sale of spirits speaks to the natural connection between these types of businesses. Accordingly, I find that these criteria favour the Opponent. Accordingly, this entitlement ground of opposition is successful as well.

CONCLUDING REMARKS – OTHER GROUNDS

[56] Since I have found the Opponent successful under two grounds of opposition, I do not consider it necessary to address the remaining grounds.

DISPOSITION

[57] For the reasons provided above and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application under section 38(12) of the Act.

Jean Carrière
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Agents of Record

AGENTS OF RECORD

For the Opponent: Accupro Trademark Services LLP

For the Applicant: Robic