



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2023 TMOB 016

**Date of Decision:** 2023-01-31

## **IN THE MATTER OF OPPOSITION**

**Opponent:** Casella Wines Pty Ltd.

**Applicant:** Fast Forward Brands, LLC

**Application:** 1,558,702 for YELLOW BIRD

### **INTRODUCTION**

[1] Fast Forward Brands, LLC, (the Applicant), has applied to register the trademark YELLOW BIRD (the Mark), in association with wine, based on proposed use in Canada, and use and registration in the United States.

[2] Casella Wines Pty Ltd. (the Opponent), is an Australian wine company which produces, exports, distributes and sells wine in over 50 countries, including Canada. It opposes the Mark primarily on the basis that the Mark is confusing with its [yellow tail] word and Kangaroo design trademarks, previously used in Canada in association with wines and liqueurs and its [yellow tail] bubbles trademark previously used in association with wine and sparkling wine (collectively the [yellow tail] trademarks).

[3] For the reasons that follow, I reject the opposition.

## **BACKGROUND**

[4] The application was filed on January 5, 2012, and advertised for opposition purposes in the *Trademark Journal* issue dated May 15, 2013.

[5] The Opponent opposed the application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on October 15, 2013. Pursuant to section 70 of the Act, the grounds of opposition in this proceeding will be assessed based on the Act as it read prior to June 17, 2019.

[6] The grounds of opposition are summarized below:

- (a) The application does not comply with the requirements of section 30(e) of the Act, as the Applicant does not, by itself or through a licensee, or by itself and through a licensee, intend to use the Mark in Canada. The Applicant could not have intended to use the Mark because as of the filing date the Applicant must be deemed to have been aware of the Opponent's prior rights in its [yellow tail] trademarks.
- (b) The application does not comply with the requirements of section 30(e) of the Act as the Mark was in use in Canada prior to the filing date of the application and as such the Applicant could not make a proper claim of proposed use. Further, the Applicant could not make the claim, as given the nature of its company, it could not control the character and quality of the goods and as such could have had the requisite intention to use the Mark in Canada.
- (c) The application does not comply with the requirements of section 30(i) of the Act in view of the following:
  - i. The Applicant was aware or should be deemed to have been aware of the Opponent's earlier adoption and use in Canada of its [yellow tail] trademarks;
  - ii. The Applicant could not have been satisfied it was entitled to use the Mark in Canada since to do so would have the effect of depreciating the value attached to the Opponent's [yellow tail] trademarks contrary to section 22 of the Act;
  - iii. The Applicant could not have been satisfied it was entitled to use the mark in Canada in association with the claimed goods since to do so would violate section 7 of the Act;

- (d) The Mark is not registrable pursuant to section 12(1)(d) of the Act as it is confusing with the Opponent's [yellow tail] & Kangaroo Design trademark, registration No. TMA617,952; and [yellow tail] bubbles trademark, registration No. TMA718,239;
- (e) The Applicant is not entitled to use the Mark under sections 16(2)(a) and 16(3)(a) of the Act in Canada because at the filing date of the application, the Mark was confusing with the Opponent's previously used [yellow tail] trademarks;
- (f) The Mark is not distinctive and is not adapted to distinguish the Applicant's wine from the goods of others, and in particular, from the goods in association with which the Opponent has previously registered and/or used the [yellow tail] trademarks in Canada.

[7] The Opponent filed as its evidence the affidavit of Julian Raccanello, Global Sales Support & South America Market Manager for the Opponent, as well as certified copies of registration No. 617,952 for its [yellow tail] & Kangaroo Design trademark, registration No. 718,239 for its [yellow tail] bubbles trademark and application No. 1,589,110 for its [yellow tail] trademark. The Applicant filed as its evidence the affidavit of Valerie Chapdelaine, paralegal with the Applicant's agent, as well as certified copies of excerpts from Application No. 1,589,110 for the Opponent's [yellow tail] trademark, including the statement of opposition dated June 27, 2014, and counter statement dated September 4, 2014. The Applicant also filed certified copies of registration No. TMA919,243 for YELLOW LABEL, registration No. TMA653,845 for YELLOW WOOD, registration No. TMA599,018 for YELLOWGLEN, registration No. TMA770,613 for HUNTLEY YELLOW WOOD RESERVE, and copies of the following U.S. trademark registrations: No. 2,851,994 for YELLOW BIRD, No. 3,344,562 for [yellow tail] bubbles, No.3,578,511 for YELLOW TAIL; and No. 2,696,372 for [yellow tail].

[8] As its evidence in reply, the Opponent filed certified copies of the Applicant's voluntary abandonment of the opposition to the [yellow tail] trademark (application No. 1,589,110) and a certified copy of registration No. TMA963,641 for the [yellow tail] trademark. None of the affiants were cross-examined. Neither party filed written representations. While the parties' requested an oral hearing, such request was ultimately withdrawn.

## **EVIDENTIAL BURDEN AND LEGAL ONUS**

[9] Before considering the grounds of opposition, it is necessary to review some of the requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[10] With respect to (i) above, there is an evidential burden on an opponent to support the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited*, 30 CPR (3d) 293 (FCTD) at 298. An evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). A legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

## **GROUND SUMMARY DISMISSED**

### ***Section 30(e)- Non-conformance***

[11] As noted above, the Opponent pleads under this ground that the Mark was in use prior to the filing date of January 5, 2012, and as such, the Applicant could not properly make a claim of proposed use. The Opponent further asserts that the Applicant could not have had the requisite intention to use the Mark in Canada because, given the nature of its company, it could not control the character or quality of the goods sold in association with the Mark.

[12] The initial burden upon an opponent with respect to a ground of opposition based upon non-compliance with section 30(e) is a relatively light one [*Molson Canada v. Anheuser-Busch Inc*, 29 CPR (4th) 315 (FC)]. In this case, however, the Opponent has not provided any evidence nor relied on any of the evidence filed by the Applicant to

support this ground of opposition. As it has not met its burden, this ground is accordingly dismissed.

### ***Section 30(i) – Non-conformance***

[13] The Opponent pleads that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the applied for goods because: it should have been aware of the Opponent's trademarks; to do so would have the effect of depreciating the value of goodwill attached to the Opponent's trademarks contrary to section 22 of the Act; and to do so would violate section 7 of the Act.

[14] I will begin by noting that mere knowledge of the existence of the Opponent's trademarks does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [see *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)].

[15] Further, the Opponent has failed to adduce evidence of at least one of the elements required to show a violation of section 7(b) of the Act: deception of the public due to a misrepresentation [see the three elements set forth 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].

[16] Finally, the Opponent has failed to adduce any evidence of a depreciation of goodwill of one or more of the Opponent's registrations as required to show a violation of section 22 of the Act [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, at paras 46 and 63 to 68].

[17] In view of the above, as the Opponent has not met its evidential burden under this ground, it is also dismissed.

### **REMAINING GROUNDS OF OPPOSITION**

#### ***Sections 16(2)(a) and 16(3)(a) Grounds of Opposition – Non-Entitlement***

[18] The Opponent pleads that the Applicant is not entitled to use the Mark under sections 16(2)(a) and 16(3)(a) of the Act in Canada because at either the filing date of

the application and/or the date of filing of the application in accordance with section 30, the Mark was confusing with the Opponent's previously used [yellow tail] trademarks.

[19] The application in this case, filed on January 5, 2012, is based on proposed use in Canada and use and registration in the United States on June 8, 2004.

[20] The initial burden on the Opponent under both of these grounds is to establish use of one or more of its [yellow tail] trademarks prior to the filing date of the application (January 5, 2012) as well as non-abandonment of one or more of its trademarks at the date of advertisement of the application (May 15, 2013).

[21] The evidence of Mr. Raccanello includes evidence dated prior to and after the relevant dates for this ground. His evidence of the Opponent's alleged use of its [yellow tail] trademarks prior to the relevant dates may be summarized as follows:

- The Opponent has continuously and extensively used in Canada the [yellow tail] and [yellow tail] & Kangaroo Design trademarks in association with wines since at least as early as 2004, and its [yellow tail] bubbles trademark in association with wines since at least as early as 2007.
- The Opponent's [yellow tail] & Kangaroo Design trademark contains a depiction of a colourful wallaby/kangaroo on a black background centered below the rectangular [yellow label] label (which is yellow in colour). The kangaroo is orange and yellow coloured with yellow and orange lines and a black and yellow pattern that runs the length of the body of the animal from head to tail (as shown below).





- Extracts of the Opponent's website attached as Exhibit JR-1 shows images of the Opponent's [yellow tail] and [yellow tail] & Kangaroo Design trademarks as they appeared on the Opponent's shiraz wines sold in Canada since at least as early as July 2004; and images of the Opponent's [yellow tail] bubbles trademark as it appeared on wines sold in Canada since at least as early as 2007.
- Since at least as early as July 2004, the Opponent has been selling its wines associated with its [yellow tail] trademarks to various provincial liquor control boards in Canada, such as the Liquor Control Board of Ontario, which in turn sells its wines to Canadian consumers in their various retail stores and agency stores in Canada. An extract displaying the Opponent's [yellow tail] and [yellow tail] & Kangaroo Design marks on wines is attached as Exhibit JR-2.
- Since June 2013, the Opponent has been selling its wines associated with its [yellow tail] and [yellow tail] & Kangaroo Design trademarks, as well as its [yellow tail] bubbles trademark, through its Canadian agents Vins Philippe Dandurand Wines, as per copies of invoices attached as Exhibit JR-3.

- Attached as Exhibit JR-4 are photos of the packaging of the [yellow tail] wines sold and shipped to Canada; Mr. Raccanello confirms that these images are illustrative of the [yellow tail] trademarks as they were displayed on the packaging in which the wines were sold by the Opponent directly to various provincial liquor boards in Canada since at least as early as July, 2004.
- Since at least as early as July 2004, sales in Canada of the Opponent's wines bearing all of its [yellow tail] trademarks ranged between \$12,074,016 (July-December) in 2004 to \$28,000,000 in 2014.
- Representative invoices dated between 09/02/04 and 20/01/14, showing sales made by the Opponent to the LCBO in Canada of wines bearing the Opponent's [yellow tail] trademarks and [yellow tail] bubbles trademark are attached as Exhibit JR-5.
- Since 2004, the Opponent has spent in excess of \$24 million (CDN) in promoting and advertising its [yellow tail] trademarks in Canada, including through campaigns launched on various fronts such as in store point of sale sampling, print ads, a Facebook contest, events, public relations efforts, and television media.

[22] I am satisfied from the Opponent's evidence that the Opponent's [yellow tail] and [yellow tail] & Kangaroo Design trademarks have been used in association with wines in Canada since at least as early as 2004, and its [yellow tail] bubbles trademark has been used in association with wines in Canada since at least as early as 2007. In this regard, the Opponent has evidenced how its trademarks have appeared in association with its wines since 2004 and 2007, and has also provided sales figures for all of its wines sold in association with its trademarks since such dates. I am therefore satisfied that the Opponent has met its burden under this ground.

[23] As I am satisfied that the Opponent has met its evidential burden I must now determine whether the Applicant has met its onus of proving that there is no reasonable likelihood of confusion between the parties' trademarks on a balance of probabilities.



[24] I will focus my analysis on the Opponent's [yellow tail] trademark as I consider it to represent the Opponent's strongest case. That is, if the Opponent is not successful under this ground based on this trademark, then it will not be successful based on any of its other trademarks.

#### Test for confusion

[25] 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.

[26] Therefore, section 6(2) of the Act does not concern confusion of the trademarks themselves, but of the goods or services from one source as being from another. Essentially, the question here is whether a consumer, with an imperfect recollection of the Opponent's [yellow tail] trademark, would think that the Applicant's YELLOW BIRD wine emanates from, is sponsored by or approved by the Opponent.

[27] In applying the test for confusion, 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, supra*]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 where the Supreme Court of Canada states at para 49 that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis.

*Inherent distinctiveness and extent known*

[28] A trademark is inherently distinctive when nothing about it refers the consumer to a multitude of sources [*Compulife Software Inc v CompuOffice Software Inc*, 2001 FCT 559 at para 19]. As noted by Justice Bédard in *Philip Morris Products SA v Imperial Tobacco Canada Limited*, 2014 FC 1237, citing *Apotex Inc v Canada (Registrar of Trademarks)*, 2010 FCA 31, whether a trademark is distinctive is a question of fact that is determined by reference to the message that it conveys to the casual consumer of the goods or services in question when the trademark is considered in its entirety as a matter of first impression.

[29] In my view, I find both parties' trademarks to be inherently distinctive as a matter of first impression. In this regard, I do not find that either party's trademark describes any inherent characteristic or quality of wine.

[30] I am also satisfied from the evidence of Mr. Raccanello that the Opponent's [yellow tail] trademarks had been used in association with wine and promoted extensively in Canada by the filing date of the application. I therefore find that the Opponent's [yellow tail] trademark was known to a considerable extent in Canada by the material date for this ground.

[31] As the Applicant has not provided any evidence of use of the Mark prior to or after the material date for this ground, I find that overall this factor favours the Opponent.

*length of time in use*

[32] The Opponent has evidenced use of the [yellow tail] trademark in association with wines in Canada since at least as early as July, 2004, while the Applicant has not provided any evidence of use of its Mark. This factor therefore also favours the Opponent.

*nature of the goods and trade*

[33] In view that both parties' trademarks cover wine, there is direct overlap between the parties' goods and businesses.

[34] Accordingly, this factor also favours the Opponent.

*degree of resemblance*

[35] As stated earlier, the degree of resemblance between the trademarks will often have the greatest effect on the confusion analysis. 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 Ponsardin v Boutiques Cliquot Ltée, supra* at para 20]. The preferable approach when comparing trademarks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique [see *Masterpiece* at para 64].

[36] I find that neither parties' trademarks have one component that is particularly striking or unique. This is particularly true with the Opponent's trademark, in view that the words yellow and tail are purposefully contained within square brackets. I therefore find that both parties' trademarks are likely to be viewed as unitary phrases and when considered as a whole, are more different than alike as a matter of first impression.

[37] In this regard, while the parties' trademarks resemble each other somewhat in appearance and sound owing to the fact that both parties' trademarks begin with the non-distinctive component yellow, the ideas suggested by the parties' trademarks are different. Although the evidence suggests that "yellow tail" may be the name of a yellow footed wallaby, a relative of the kangaroo [Chapdelaine, para. 15 & Exhibit L], there is no evidence to show that the average consumer of wines in Canada would know this. Regardless, though, the Opponent's trademark as a whole does suggest the idea of an animal with a yellow tail. On the other hand, the idea suggested by the Applicant's Mark is simply that of a yellow bird. In finding the trademarks more different than alike, I am mindful of case law such as *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD) at 188, which stands for the principle that the first portion of a trademark is the most important.

*surrounding circumstance – state of the Register in Canada*

[38] The Applicant filed as part of its evidence certified copies of the following third party registrations, all for wine: YELLOW LABEL, YELLOW WOOD, YELLOWGLEN, and HUNTLEY YELLOW WOOD RESERVE.

[39] This limited evidence of the state of the register in Canada is insufficient, on its own, to establish that the component YELLOW is common to trademarks for wine in Canada such that consumers can more easily distinguish between trademarks including this component.

[40] This factor therefore does not assist the Applicant.

*surrounding circumstance – state of the Register in other jurisdictions*

[41] The Applicant also provided evidence of the state of the register in the U.S., Australia, and China. In particular, the Applicant's evidence shows that the parties' trademarks appear on the register in each of these jurisdictions. The evidence also shows the results of searches on various websites such as <http://wine-searcher.com> which purported shows all wine merchants in China that sell either "yellow bird" or "yellow tail" wines.

[42] I am not prepared to accord the registration of the parties' trademarks in any other jurisdiction any significant weight as a surrounding circumstance. First, there is no evidence that the parties' trademarks were used, and therefore co-existed, in these other jurisdictions. And even if there was, co-existence abroad is typically not relevant in the absence of evidence that the environment abroad is similar to that in Canada, for example the state of the marketplace [*LA Gear, Inc v Los Angeles Sports Council*, 2006 CanLII 80361]. The Registrar's decision must be based on Canadian standards, having regard to the situation in Canada [see *Quantum Instruments, Inc v Elinca SA* (1995), 60 CPR (3d) 264 (TMOB); *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 (CanLII) 41 CPR (4th) 8 (FC) citing *Re Haw Par Brothers International Ltd v Registrar of Trademarks* (1979), 48 CPR (2d) 65 (FCTD) and *Sun-Maid Growers of California v Williams & Humbert Ltd* (1981), 54 CPR (2d) 41 (FCTD)].

## Conclusion

[43] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, I find that the Applicant has met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trademark. Notwithstanding the fact that the Opponent's trademark has a significant degree of acquired distinctiveness, and the nature of the parties' goods and channels of trade overlap, I find the fact that the parties' trademarks are more different than alike to tip the balance of probabilities in the Applicant's favour.

[44] Accordingly, the section 16(2)(a) and section 16(3)(a) grounds are not successful.

### ***Section 2 Ground of Opposition – Non-distinctiveness***

[45] The evidence of use of the Opponent's [yellow tail] trademarks with respect to the section 16(2)(a) and section 16(3)(a) ground is sufficient to meet the Opponent's burden with respect to the section 2 ground of opposition. Even though the Opponent's position is slightly stronger as of the later material date for this ground (*i.e.*, the filing date of the opposition) because of the increased sales and making known of the Opponent's trademarks in Canada by this date, I reach the same conclusion regarding the likelihood of confusion as under these previous grounds of opposition. The section 2 ground of opposition is therefore also rejected.

### ***Section 12(1)(d) Ground of Opposition – Non-registrability***

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

[47] The Opponent has pleaded that the Mark is not registrable because it is confusing with its [yellow tail] & Kangaroo Design, registration No. TMA617,952 or its [yellow tail] bubbles, registration No. TMA718,239. I have exercised my discretion and

confirm that these registrations are extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

[48] I will note here that while the evidence shows that the Opponent's application No. 1,589,110 for the trademark [yellow tail] issued to registration on February 22, 2022, the Opponent did not amend its statement of opposition to include this trademark under the section 12(1)(d) ground.

[49] I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with one or more of the Opponent's registered trademarks. I consider that the Opponent's best case is registration No. TMA718,239 for the trademark [yellow tail] bubbles and I will concentrate my analysis on it. If the Opponent is not successful based on this mark, then it will not be successful based on its [yellow tail] & Kangaroo Design registered mark.

[50] Many of the factors discussed above under the sections 16(2)(a) and 16(3)(a) grounds are the same under this ground. In this regard, the acquired distinctiveness of the trademarks, the length of time the marks have been in use and the nature of the goods and trade all favour the Opponent. Again, however, the parties' trademarks are more different than alike. In addition to the obvious differences in ideas suggested between the Opponent's [yellow tail] bubbles trademark and the Applicant's YELLOW BIRD mark, the "bubbles" component of the Opponent's trademark further differentiates the Opponent's trademark from that of the Applicant's because it is suggestive of an inherent characteristic of the Opponent's wines. Accordingly, I do not find that the average consumer encountering the Mark in association with wines would likely conclude that such goods are those of the Opponent.

[51] Accordingly, this ground of opposition is also rejected.

**DISPOSITION**

[52] In view of the above, and 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.

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Cindy R. Folz  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

No hearing held

## **AGENTS OF RECORD**

**For the Opponent:** Robic

**For the Applicant:** Greenspoon Winikoff LLP