



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 215

Date of Decision: 2023-12-14

IN THE MATTER OF AN OPPOSITION

Opponent: Sociedad Anónima Damm

Applicant: Hijos de Rivera, S.A.

Application: 2067419 for RECETA PRIMERA GENERACIÓN LA ESTRELLA DE GALICIA HIJOS DE RIVERA (& DESIGN)

OVERVIEW

[1] Sociedad Anónima Damm (the Opponent) opposes registration of the trademark RECETA PRIMERA GENERACIÓN LA ESTRELLA DE GALICIA HIJOS DE RIVERA (& DESIGN) (the Mark), reproduced below, which is the subject of application No. 2067419 (the Application), standing in the name of Hijos de Rivera, S.A. (the Applicant), for use in association with “Beer” (the Goods). The Application includes a foreign translation for the Mark, which is set out as follows:



As provided by the applicant, the translation of the foreign words "RECETA PRIMERA GENERACION - LA ESTRELLA DE GALICIA - HIJOS DE RIVERA" is "First generation recipe - Star Galicia - Sons of Rivera".

[2] The main issue in this proceeding is whether the Mark is confusing with one or more of the Opponent's registered trademark ESTRELLA DAMM and common law design trademarks reproduced, in part, below, which have been previously used in Canada by the Opponent in association with beer (hereinafter sometimes collectively referred to as the Opponent's Trademarks):





[3] As will be further discussed below in my review of the Opponent's evidence, the design trademarks wherein ESTRELLA DAMM "appear[s] in a stylized font or script that could be perceived as a Gothic or Blackletter font or script or a variation thereof" correspond to what the Opponent describes as the "Older Design Marks". The design trademarks wherein ESTRELLA DAMM "appears in a different stylized font which also incorporates, among other aspects, some generally circular design aspect(s)" correspond to the "Newer Design Marks".

[4] For the reasons that follow, the opposition succeeds.

THE RECORD

[5] The Application was filed on December 1, 2020 and advertised for opposition purposes in the *Trademarks Journal* on June 23, 2021.

[6] The Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on December 23, 2021, which was later amended by the Opponent, with leave of the Registrar granted on April 25, 2022, in response to the Applicant's request for an interlocutory ruling on the sufficiency of certain paragraphs of the statement of opposition. By way of an interlocutory decision rendered concomitantly, the Registrar struck some of the grounds of opposition pleaded in the amended statement of opposition. The remaining grounds of opposition are based on non-registrability of the Mark under section 12(1)(d) of the Act; non-entitlement of the Applicant under sections 16(1)(a) and 16(3) of the Act; non-distinctiveness of the Mark under section 2 of the Act; and bad faith of the Applicant under section 38(2)(a.1) of the Act.

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

[8] In support of its opposition, the Opponent filed an affidavit of its Canadian Area Manager, Albert Sansalvador Santander, dated September 22, 2022 (the Santander Affidavit) and an affidavit of Jeannine Summers, a paralegal with the law firm

representing the Opponent, dated September 23, 2022 (the Summers Affidavit). Neither affiant was cross-examined.

[9] The Applicant elected not to file any evidence.

[10] Both parties submitted written representations and were ably represented at a hearing.

PRELIMINARY REMARK

[11] The parties to the present proceeding are not strangers to one another. As shown by the Opponent's evidence, discussed below, they have been involved in the recent years in a few trademark opposition and cancellation proceedings in different countries of the world, including one opposition proceeding in Canada concerning the Applicant's former application No. 1568398 for the trademark ESTRELLA GALICIA & Design (reproduced below), based on proposed use in association with "beer", in which the Registrar refused the Applicant's prior application in view of, *inter alia*, the Opponent's aforementioned trademark ESTRELLA DAMM [see *S.a. Damm v Hijos De Rivera, S.a.*, 2015 TMOB 230 (the *2015 TMOB Decision*)]:



[12] Not surprisingly, the Opponent relies heavily on the *2015 TMOB Decision* in the present case. However, as stressed by the Applicant, this prior decision is not necessarily determinative of the issues in the present case. Suffice it to say that each case rests on its own merits. That being said, I will adopt some of the reasoning in the *2015 TMOB Decision* where I consider it appropriate to do so.

EVIDENTIAL BURDEN AND LEGAL ONUS

[13] The Opponent has the 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. Once that burden is met, the Applicant bears the legal onus of establishing, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd*, 1990 CanLII 11059 (FC), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al*, 2002 FCA 29, 20 CPR (4th) 155].

ANALYSIS

Section 12(1)(d) Ground – Non-registrability of the Mark

[14] The Opponent has pleaded that the Mark is not registrable because it is confusing with the Opponent's word mark ESTRELLA DAMM, registered under No. TMA818413 in association with "Beer". I have exercised the Registrar's discretion to confirm the Opponent's registration is in good standing as of the date of my decision, which is the material date for assessing a section 12(1)(d) ground of opposition [*Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)]. In this regard, I note that the registration sets out that "The translation provided by the [Opponent] of the Spanish word ESTRELLA is STAR".

[15] As the Opponent has met its evidential burden, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent's registered trademark.

The test for confusion

[16] 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 they have no more than an imperfect recollection of the opponent's trademark, and do 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 Ltée*, 2006 SCC 23 at para 20].

[17] Thus, section 6(2) of the Act does not concern the confusion of the trademarks themselves, but of the goods or services from one source as being from another. In the present case, the question is essentially whether a consumer, with an imperfect recollection of the Opponent's pleaded registration, who sees the Applicant's Goods in association with the Mark, would think that they are sold or otherwise emanate from or are licensed, approved or sponsored by the Opponent.

[18] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at 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 the trademarks 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. This list is not exhaustive; all relevant factors are to be considered, and are not necessarily attributed equal weight [see *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22; *Veuve Clicquot, supra*; and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 for a thorough discussion of the general principals that govern the test for confusion].

The inherent distinctiveness of the trademarks and the extent to which they have become known

[19] I consider both of the parties' trademarks to be inherently distinctive as neither of them has any readily apparent meaning in English or French that is suggestive or descriptive in relation to the nature of the parties' goods.

[20] The degree of distinctiveness of a trademark may be increased by means of it becoming known through promotion or use.

[21] There is no evidence that the Mark has been used or has become known in Canada in association with the Goods to any extent.

[22] In contrast, the evidence of use and promotion of the Opponent's Trademarks filed through the Santander and Summers Affidavits establishes quite extensive use of

the Opponent's registered trademark ESTRELLA DAMM, as per my review below of these affidavits.

The Santander Affidavit

[23] As a preliminary remark, I note that Mr. Santander explains that the Opponent and its predecessors have a history and tradition in the brewing industry. The Opponent and its predecessors have been brewing alcoholic beverages in Spain for over 135 years [para 4]. For the sake of clarity, all references to the Opponent in my decision will encompass its predecessors.

[24] As summarized for the most part by the Opponent at paragraphs 30 to 52 of its written representations, Mr. Santander essentially attests to the following:

- The Opponent's ESTRELLA DAMM brand of beer has been sold for more than 30 years in many countries around the world and is at present sold in more than 20 countries, including Canada [Santander Affidavit, para 5].
- The Opponent commenced selling beer in Canada in association with its trademark ESTRELLA DAMM at least as early as 1999 and its ESTRELLA DAMM brand of beer has been sold continuously in Canada since at least as early as 2007 and continues to be sold in Canada at present [Santander Affidavit, paras 7-8; Exhibit 2: a copy of an invoice dated 31 August 2007 from the Opponent to one of its Canadian distributors in respect of a sale of ESTRELLA DAMM Beer for distribution in Canada. The ESTRELLA DAMM trademark appears on that invoice and Mr. Santander's evidence is that the ESTRELLA DAMM trademark would have appeared on the cans and related packaging (e.g. trays) of beer that was sold under that invoice].
- The ESTRELLA DAMM brand of beer sold in Canada has included the following types of beers: (a) a lager which has been sold continuously in Canada in association with the trademark ESTRELLA DAMM since at least as early as 2007 through to the present (this lager has sometimes been referred to internally within the Opponent as "ESTRELLA DAMM Barcelona" (or "ESTRELLA DAMM BCN", with "BCN" being a short form of "Barcelona") since

the word “Barcelona” has also appeared on the cans, bottles and packaging); (b) a more sophisticated type of beer which was sold continuously in Canada in association with the ESTRELLA DAMM trademark since at least as early as 2009 through to at least as late as 2014 (this type of beer was previously sometimes referred to internally within the Opponent as “ESTRELLA DAMM Inedit” since “Inedit” (which is a separate trademark of the Opponent) also appeared on the cans, bottles and packaging); and (c) a gluten-free beer sold continuously in Canada in association with the ESTRELLA DAMM trademark since at least as early as 2009 through to at least as late as 2014 (this type of beer was previously sometimes referred to internally within the Opponent as “ESTRELLA DAMM Daura” since “Daura” (which is a separate trademark of the Opponent) also appeared on the bottles, cans and packaging (together, such beers are referred to as “ESTRELLA DAMM Beers”, and “ESTRELLA DAMM Beer” or “ESTRELLADAMM beer” or “ESTRELLA DAMM branded beer” refers to any of the ESTRELLA DAMM Beers or any combination thereof) [Santander Affidavit, para 9].

- Of the three types of ESTRELLA DAMM Beers discussed above, the lager was always by far the type of beer that was sold and promoted the most in Canada, and is the one that is sold in Canada in association with the ESTRELLA DAMM trademark at present [Santander Affidavit, para 10].
- The ESTRELLA DAMM trademark has appeared on all of the cans, bottles (e.g. on labels applied to the bottles) and the associated packaging (such as cardboard packages and boxes, and trays) of all ESTRELLA DAMM Beers that have been sold to date in Canada [Santander Affidavit, para 11; see for example, Exhibits 5-13 and 16-17].
- ESTRELLA DAMM Beer has been and continues to be sold in Canada in various channels of trade including at licensed establishments such as bars, pubs and restaurants (these are sometimes referred to as “on-premises” locations or accounts) and in retail stores such as provincially regulated beer and liquor stores, grocery stores, supermarkets and convenience stores (these are sometimes referred to as “off-premises” retailers) [Santander Affidavit, para 12].

- At the time of swearing his affidavit, ESTRELLA DAMM Beer was sold in Canada in more than 1415 off-premises retailers and more than 210 on-premises locations. Some of the notable off-premises retailers that currently sell ESTRELLA DAMM Beer in Canada include: The Beer Store retailer in Ontario, retail stores operated in Ontario by the Liquor Control Board of Ontario (LCBO), the BCLIQUOR retail stores (BCLS) operated in British Columbia by the British Columbia Liquor Distribution Branch, retail stores operated in Manitoba by the Manitoba Liquor and Lotteries Corporation, retail stores operated in Saskatchewan by the Saskatchewan Liquor and Gaming Authority and private and independent retailers including the following grocery stores, supermarkets and convenience stores: Sobey's, Metro, IGA, Loblaws and Depanneur. At the time of swearing his affidavit, ESTRELLA DAMM Beer was sold in Canada in Ontario, Quebec, British Columbia, Alberta, Manitoba and Saskatchewan, and was in the past also sold in other Provinces and Territories as well [Santander Affidavit, para 12].
- ESTRELLA DAMM Beer has been and continues to be sold in Canada in 500 mL cans, 330 mL bottles (in 4, 6 and 12 packs) and 30 L kegs [Santander Affidavit, para 18].
- The kegs are sold to on-premises locations (e.g. bars, pubs, restaurants), who serve the beer in draft form to customers, often in glasses bearing the ESTRELLA DAMM trademark. Some representative examples of such glasses are shown in Exhibits 14 and 15 to the Santander Affidavit. (I note that the representative examples reproduced in Exhibit 14 (reproduced below) are also reproduced in Schedule 1 to the Opponent's statement of opposition):



- As indicated above, the ESTRELLA DAMM trademark has been used in Canada in a number of different formats and designs over the years. Mr. Santander explains that, for example, from 2007 through to about 2019 or 2020, the ESTRELLA DAMM trademark at times appeared within certain design trademarks (which include those design trademarks appearing on the packaging, cans, bottles, glasses and display shown within Exhibit 16) wherein ESTRELLA DAMM appeared in a stylized font or script that could be perceived as a Gothic or Blackletter font or script or a variation thereof (the “Older Design Marks”). Then, starting in or about 2019 or 2020 and continuing through to the present, the ESTRELLA DAMM trademark at times has appeared within other design trademarks (which include those design trademarks appearing on the cans, bottles, labels and packaging shown within Exhibit 17) wherein ESTRELLA DAMM appears in a different stylized font and which also incorporate, among other aspects, some generally circular design aspect(s) (the “Newer Design Marks”). Mr. Santander states that the introduction of the Newer Design Marks started in or about 2019 or 2020, and since then most of the bottles, cans and packaging of ESTRELLA DAMM Beer sold in Canada, and the associated advertising, has displayed one or more of the Newer Design Marks rather than

the Older Design Marks, though since about 2019 or 2020 there have continued to be some sales in Canada of ESTRELLA DAMM Beer in bottles, cans and packaging bearing one or more of the Older Design Marks and some displays of one or more of the Older Design Marks in Canada in association with some sales and advertising of ESTRELLA DAMM Beer [Santander Affidavit, para 19].

I note that the representative examples of cans, bottles, labels and packaging reproduced in Exhibits 16 and 17 to the Santander Affidavit essentially correspond to the ones reproduced in Schedule 1 to the Opponent's statement of opposition.

I further note at this point of my analysis that I am satisfied that all uses made of the Older Design Marks and Newer Design Marks in the various exhibited examples of packaging and images of the ESTRELLA DAMM branded products that purport to show use or the manner of display of the ESTRELLA DAMM trademark in association with the Opponent's beer also amount to use of the ESTRELLA DAMM word mark, which in my view preserves its identity and overall remains recognizable in the context of its use [according to *Registrar of Trade-marks v Compagnie Internationale pour l'informatique CII Honeywell Bull*, 1985 CanLII 5537 (FCA), 4 CPR (3d) 523; and *Nightingale Interloc v Prodesign* (1984), 2 CPR (3d) 535 (TMOB)].

- The sales volumes of ESTRELLA DAMM Beer in Canada by the Opponent over the years 2017–2022 (up to the date of the Santander Affidavit) have exceeded 9,865,000 liters. Mr. Santander also provides annual Canadian sales volumes of ESTRELLA DAMM Beer for the years 2017–2022 [Santander Affidavit, para 31].
- Since 2007, the Opponent has expended significant sums of money to advertise and promote its ESTRELLA DAMM brand in Canada. To the date of the Santander Affidavit, the Opponent spent more than \$5,000,000 Canadian dollars marketing ESTRELLA DAMM Beer in Canada, with the annual sums for the Canadian marketing expenditures for the years 2017–2021 (and the budgeted

amount for 2022) being set out in the Santander Affidavit [Santander Affidavit, para 22].

- The ESTRELLA DAMM Beer and the ESTRELLA DAMM trademark have been since 2007, and continue to be, extensively advertised and promoted in Canada. Such advertising and promotion has taken many different forms, including at least the following:
 - marketing campaigns. For example, in 2017 and 2018, the Opponent ran outdoor marketing campaigns in Toronto, Ontario wherein ESTRELLA DAMM Beer (and the ESTRELLA DAMM trademark) were prominently and extensively advertised on signage and posters displayed in high traffic outdoor locations such as public transportation (e.g. bus/subway/rail line) stops and on the sides of the public transportation vehicles [Exhibit 19];
 - promotional contests. For example, in 2011, the Opponent held a contest entitled “The Beer of Barcelona” with a grand prize of a trip to Barcelona, Spain for one resident of Ontario and one resident of British Columbia. This contest was advertised online via Canadian websites such as the Food Network, Toronto Life, and Vancouver Magazine; via digital media such as Shaw Digital; in retailers’ stores; at trade shows; on beer cartons; and through Facebook [Exhibit 20: copies of posters and screenshots of advertisements for “The Beer of Barcelona” contest]. According to Mr. Santander, advertising for “The Beer of Barcelona” contest through websites, not including Facebook, made over 8.5 million “impressions”. Through Facebook, over 2.5 million more “impressions” were made. [Exhibit 21: copies of the statistics of impressions and click-through rates for the 2011 online campaign];
 - at tasting dinners and sponsored events [Exhibit 22];
 - in retailers’ stores, including at sampling events [Exhibits 23-24];
 - on promotional merchandise [Exhibit 25];
 - at on-premises locations (e.g. at bars, pubs and restaurants).
Mr. Santander explains that over the years, the Opponent has produced

many different types of products bearing the ESTRELLA DAMM trademark for distributing to bars, pubs and restaurants that sell and serve ESTRELLA DAMM Beer in Canada, such as: glasses (for serving ESTRELLA DAMM Beer in) and ice buckets (for cooling and serving bottles and cans of ESTRELLA DAMM Beer in); on tap handles which are used to pour draft ESTRELLA DAMM Beer in bars, pubs, and restaurants; coasters that are used for serving ESTRELLA DAMM Beer; and posters and signage that are displayed at the bars, restaurants and pubs [Exhibits 26-30].

- on the Opponent's websites at *www.estrelladamm.com* and *www.damm.com*, which have been operational, and accessible, in Canada since at least as early as July 2002 and August 2018, respectively [Exhibits 31-31A];
 - on social media (Facebook and Twitter) [Exhibits 32-34]; and
 - at trade shows [Exhibit 36].
- ESTRELLA DAMM Beer (and the ESTRELLA DAMM trademark) have also from time to time been featured in advertising by some of the retailers selling ESTRELLA DAMM Beer in Canada [Exhibits 37-38].
 - ESTRELLA DAMM Beer also receives international exposure through the sponsorship of the Barcelona Football Club. ESTRELLA DAMM is the exclusive beer sponsor of the Barcelona Football Club and has been working with the club for more than 25 years. Large banner advertisements for ESTRELLA DAMM border the stands at the FC Barcelona Stadium in Spain. Matches of the Barcelona Football Club are broadcast worldwide and are viewable in Canada. [Exhibit 40].

The Summers Affidavit

[25] The Summers Affidavit essentially corroborates the Santander Affidavit. For example, attached to the Summers Affidavit are:

- Exhibits 2-14, which consist of printouts of website pages located by Ms. Summers' searches conducted in September 2022 on the Google Search Engine, namely printouts from websites from BC Liquor Stores, LCBO, The Beer Store, Co-op Wine Spirits Beer Saskatoon, Willow Park Wines & Spirits, Manitoba Liquor Mart, Tag Liquor Stores Delivery, Snappy Delivery, Home Delivery Canada, Paint Cabin, Beer Store Delivery, Online Neighborhood Liquor Store and Instacart, respectively, that provide particulars and photographs of ESTRELLA DAMM Beer shown to be available for purchase in Canada.
- Exhibits 15-22, which consist of printouts from various websites located by Ms. Summers through her September 2022 searches of the Internet, which discuss or promote a program titled "ESTRELLA DAMM Culinary Journey" wherein ESTRELLA DAMM Beer is promoted and paired with food at numerous restaurants. Such printouts reference the Opponent's ESTRELLA DAMM trademark and in some instances show photographs of ESTRELLA DAMM Beer. According to such materials, the program was carried out in Toronto, Ontario in October 2021 (involving more than 25 restaurants) and in May 2022 (involving more than 30 restaurants).
- Exhibit 24, which consists of copies of screenshots made on September 16 and 20, 2022 from the Opponent's websites.
- Exhibits 28-35, which consist of copies of printouts made in 2014 of webpages of the following websites that Ms. Summers accessed on February 20, 2014: Liquor Connect (Alberta), BC Liquor Stores, Liquor Mart (Manitoba), Newfoundland Labrador Liquor Corporation, Nova Scotia Liquor Corporation, Liquor Control Board of Ontario, Société des Alcools du Québec and Saskatchewan Liquor and Gaming Authority. These printouts were attached as Exhibits A1 to A8 to an affidavit that she swore on March 4, 2014 that was filed as part of the Opponent's evidence in the prior Canadian opposition that led to the *2015 TMOB Decision*.

Conclusion on the first factor

[26] From all of the above, I am satisfied that the Opponent has shown use of its trademark ESTRELLA DAMM since at least 2007 and that such mark has become

known in Canada, especially in Ontario, where a significant part of the Opponent's advertising has been made.

[27] The overall assessment of the section 6(5)(a) factor, which is a combination of inherent and acquired distinctiveness, thus favours the Opponent.

The length of time the trademarks have been in use

[28] As noted by the Federal Court of Appeal, “[a] mark that has been in use a long time, versus one newly arrived on the scene, is presumed to have made a certain impression which must be given some weight” [*United Artists Pictures Inc v Pink Panther Beauty Corp*, [1998] 3 FC 534].

[29] As there is no evidence of use of the Mark in Canada and as the Opponent's evidence establishes steady use of the ESTRELLA DAMM trademark in association with beer since at least 2007, this factor also favours the Opponent.

The nature of the goods, services or business; and the nature of the trade

[30] These factors also unequivocally favour the Opponent.

[31] As stressed by the Opponent both in its written representations and at the hearing, the parties' goods (beer) are identical. As there is no evidence to the contrary, the channels of trade in which the parties' goods would be sold (e.g. licensed retailers, bars, pubs, restaurants) would be similar if not identical, and thus the goods would be sold in direct competition.

[32] In this regard, I note that both in its written representations and at the hearing, the Opponent has submitted that there is an increased risk of confusion in the context of sales in bars and the like, where consumers may order by reference to trademarks, citing, for example, *Canadian Schenley v Canada's Manitoba Distillery* (1975), 25 CPR (2d) 1 (FCTD) at 12, 15 (*Canadian Schenley*); and *Molson Breweries v Avalon International* 1998 CanLII 18540 (CA TMOB) (*Molson*).

[33] In the *Canadian Schenley* decision, the Court found that while there were, of course, differences in spelling and in pronunciation between the applicant's trademark

TSAREVITCH and the Opponent's trademark TOVARICH, both in association with alcoholic beverages, there were at the same time, marked similarities as both marks consist of three syllables, both begin with the letter "T" and end with the letters "ich". The Court went on to say that it must be careful to make allowance for imperfect recollection and the effect of careless pronunciation, especially in the context of bars and the like, stating that:

[...] It is notorious that words are not pronounced with clarity and that there is a tendency to slur the pronunciation of words of foreign derivation with which the speaker is not familiar. In licensed outlets such as bars, lounges and taverns, which are relatively noisy, the phonetic similarity between the words "Tovarich" and "Tsarevitch" further accented by careless or improper pronunciation, possibly further induced by the surroundings, would result in confusion where the customer asks the waiter for a distilled beverage alcohol by its trade mark. [...] There is the likelihood of misunderstanding in the communication of the trade mark in two instances. First, in the communication of the request from the customer to the waiter ministering to the customer's wants and, secondly, in the communication of the customer's request by the waiter, even if it was correctly made and understood by him in the first instance, to the bartender.

[34] In the same vein, in the *Molson* decision, the Registrar found that while there was little immediate visual resemblance between the applicant's trademark OHLSSON'S & DESIGN and the opponent's trademark MOLSON, there was a great deal of phonetic similarity between the parties' trademarks when spoken aloud, and that this was highly relevant because:

[...] the applicant's and opponent's [brewed alcoholic beverages] could be ordered verbally in a bar or restaurant. The applicant has suggested that whenever such wares are ordered verbally, there would be trained waiters or bar staff who would interpret which product is being ordered. In my opinion, it is possible for confusion to arise as a result of advertising, and that the consumer may be confused prior to ordering the wares. In that situation, the existence of trained staff would not remove the risk of confusion. [...]

[35] Notably, the Applicant did not comment on precisely these two decisions, be it with respect to the tendency to slur the pronunciation of words of foreign derivation with which the speaker is not familiar or the likelihood of confusion in the particular context of the sales of the parties' goods in bars and the like. Rather, the Applicant's main argument focusses on the differences existing between the parties' trademarks.

[36] In the absence of submissions to the contrary from the Applicant, I accept that the above-reproduced excerpts from the *Canadian Schenley* and *Molson* decisions do support, to some extent, the Opponent's position that there is an increased risk of confusion in the context of sales in bars and the like, where consumers may order verbally by reference to trademarks. Still, I find these decisions underline the importance of the factor of the degree of resemblance between the trademarks, including in sound, discussed below.

The degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them

[37] When considering the degree of resemblance between trademarks, they must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trademarks [*Veuve Clicquot, supra* at para 20].

[38] In *Masterpiece, supra* at paragraph 64, the Court further advised that, while in some cases, the first word or syllable of a trademark will be the more important for the purpose of distinction, the preferable approach to considering resemblance "is to first consider whether there is an aspect of the trade-mark that is particularly striking or unique".

[39] In this case, the Opponent submits that "there is a strong degree of resemblance" between the Mark and the Opponent's trademark ESTRELLA DAMM due to the presence of the word ESTRELLA, which dominates both parties' marks.

[40] More particularly, the Opponent submits in its written representations that:

99. ESTRELLA is the dominant and striking element of the Opponent's Mark [that is, the Opponent's word mark ESTRELLA DAMM]. ESTRELLA is a strong and distinctive word to Canadians, the majority of whom do not speak Spanish and so would not associate the word with any English or French word. ESTRELLA is also the first word in the Opponent's Mark, and it has been held that the first portion of a trademark may be the most important for the purpose of distinctiveness. [...] The dominance of the word ESTRELLA in the Opponent's Mark is reinforced by how it has been displayed in many instances (e.g. in many instances with the word ESTRELLA positioned above the word DAMM and in larger letters than the word DAMM).[...] Also, just as in [the 2015 TMOB

Decision], there is no evidence of use by any other traders of any trademarks in Canada for beer which include the word ESTRELLA.

100. ESTRELLA also dominates the Applied-For Mark. It is located in a prominent central location within the Applied-For Mark, and is the first of the larger words appearing in the central portion (save for the non-distinctive word “La”). While the Applied-For Mark includes other elements (e.g. the word GALICIA, a surrounding round design aspect, other surrounding text, and a star design), those other elements do not diminish the strong degree of resemblance between the Applied-For Mark and the Opponent’s ESTRELLA DAMM mark. For example, the surrounding text “RECETA PRIMERA GENERACIÓN” and “HIJOS DE RIVERA” appears in very small print and within an exterior surrounding round border and would not be given any consideration on first impression by Canadian consumers encountering the Applied-For Mark and neither would the non-distinctive words “La” and “de” found within the central portion of the mark.

101. In the Prior Canadian Opposition, on the topic of the degree of resemblance between the marks, the Applicant made arguments attempting to diminish the common presence of the word ESTRELLA in the parties’ marks by pointing to other elements in its then applied-for mark, but those arguments did not find favour with the Opposition Board [...].

102. Considering the parallels and similarities between the Applicant’s Applied-For Mark and its previously applied for mark which was refused in [the *2015 TMOB Decision*] (e.g. both include the word ESTRELLA prominently and centrally positioned as a dominant element, both include other elements such as the word GALICIA, both include a round design aspect and a star design, both include surrounding additional text in very small print), the Opposition Board’s finding in [the *2015 TMOB Decision*] regarding the resemblance with the Opponent’s mark ESTRELLA DAMM is instructive and persuasive to the present case.

103. The Opposition Board’s finding in [the *2015 TMOB Decision*] that ESTRELLA “is the first word that would likely be taken in by consumers when they have regard to, read or sound out the [mark]” is every bit applicable to the Applied-For Mark in the present opposition as it was to the mark refused in [the *2015 TMOB Decision*].

105. The average Canadian consumer would be likely to conclude that ESTRELLA is a house mark of the Opponent and that the products sold under the marks at issue here (ESTRELLA DAMM and the Applied-For Mark) both originate from the Opponent with the latter being a new product launched by the Opponent.

[41] For its part, the Applicant submits that when the parties’ trademarks are considered globally, “there are more differences than similarities between the trademarks.”

[42] More particularly, the Applicant submits in its written representations that:

41. For example, visually, the trademarks appear very different. Indeed, the Opponent's trademark is composed of only two words. On the other hand, the Applicant's TRADEMARK includes several words that contain the Applicant's name. In other words, the many words forming the Applicant's mark create a very distinct and different impression than the Opponent's mark.

42. When they are pronounced, both trademarks sound differently as the Applicant's TRADEMARK contains the expression "LA ESTRELLA DE GALICIA" which sounds very different than the Opponent's mark.

43. As for the ideas suggested, the trademarks suggest different ideas at least because the Applicant's mark includes words that create an expression that is conceptually different ("LA ESTRELLA DE GALICIA") than the Opponent's mark ("ESTRELLA DAMM").

44. In short, the trademarks are globally different so that consumers will not conclude that the respective goods associated with each would emanate from the same source. Indeed, it is respectfully submitted that what would be striking about each trademark is the **global (and different) aspect** of each rather than any specific part from each trademark. [Emphasis not mine.]

45. According to the Applicant, this finding is a most important circumstance of this case.

[43] I find the truth is somewhere between the two parties' views, and that at best for the Applicant, the parties' trademarks resemble each other as much as they differ.

[44] I tend to agree with the Opponent that the more striking element of the Opponent's trademark ESTRELLA DAMM is the word ESTRELLA, as it is quite distinctive in nature and it appears in the first position of the Opponent's trademark. In this regard, I agree with the Opponent that this finding is reinforced by how the word ESTRELLA has been displayed in many instances (e.g. with the word ESTRELLA positioned above the word DAMM and in larger letters than the word DAMM).

[45] I also tend to agree with the Opponent that, as was the case in the *2015 TMOB Decision*, the word ESTRELLA is the first word or element of note that would likely be taken in by consumers when they have regard to the Mark. In this regard, I acknowledge that the word ESTRELLA is included in the phrase "La Estrella de Galicia" and that the Mark further includes minor design features and several other words that contain the Applicant's name. However, I do not consider these design features and the words "RECETA PRIMERA GENERACIÓN" and "HIJOS DE RIVERA" within an exterior

surrounding round border to create a striking visual impression when the Mark is considered in its entirety. Indeed, I agree with the Opponent that such surrounding text would not be given any significant consideration on first impression given that it appears in very small print.

[46] With respect to the phrase “La Estrella de Galicia”, I tend to agree with the Opponent that neither of the non-distinctive words “La” and “de” would likely be given any significant consideration on first impression by Canadian consumers encountering the Mark. If anything, I tend to agree with the Opponent’s submission at the hearing that the use of the words “La” and “de” (which happen to also have a meaning in French) arguably put emphasis on the word “Estrella” by introducing it with the definite article “La” and qualifying it with the words “de Galicia”, although the meaning to be ascribed to the phrase “La Estrella de Galicia” and the Mark as a whole by Canadian consumers remains obscure.

[47] In fact, speaking of the ideas suggested by each of the parties’ trademarks, I am of the view that both parties’ trademarks are likely to be perceived as being composed of foreign words or words of foreign derivation, which arguably add to the similarities existing between them.

[48] To sum up, while I acknowledge that there are differences between the parties’ trademarks due mainly to their non-common elements DAMM and GALICIA, I still consider there to be some degree of resemblance between them due to the presence of the word ESTRELLA and, arguably, their foreign consonance.

[49] My finding is reinforced when considering the manner in which the Opponent’s trademark ESTRELLA DAMM may be used. Indeed, one must not lose sight of the full scope of rights conferred by the Opponent’s registration of the ESTRELLA DAMM word mark. In accordance with the principle set out in paragraph 55 of the *Masterpiece* case, *supra*, the registration of the ESTRELLA DAMM word mark allows the Opponent to use it in “in any size and with any style of lettering, color or design,” it being understood, however, that “one should be careful not to give the principle set out at paragraph 55 of *Masterpiece* too great a scope for there would no longer be any need to register a

design mark when one has a word mark. [...]. When comparing the marks, one is always limited to a ‘use that is within the scope of a registration’ (*Masterpiece*, at para 59)” [*Pizzaiolo Restaurants inc v Les Restaurants La Pizzaiolle inc*, 2016 FCA 265 (CanLII), para 33]. Thus, nothing would prevent the Opponent from depicting its trademark ESTRELLA DAMM in combination with the same or similar style of lettering of those found in the Mark. As a matter of fact, and as stressed by the Opponent both in its written representations (under the heading “Other surrounding circumstances”) and at the hearing, the evidence shows that the Opponent has made use in Canada of the ESTRELLA DAMM trademark for many years in a stylized font or script that could be perceived as a Gothic or Blackletter font or script or variation thereof. Such font or script is very similar visually to the font or script used for the larger text (including ESTRELLA) that is displayed in the central portion of the Mark, as can be seen from the images immediately below.



[50] In such a case, I find the visual differences existing between the parties’ trademarks owing to their non-common elements to be undermined.

Additional surrounding circumstances

Pleadings and submissions by the Applicant in other jurisdictions of the world

[51] As a further surrounding circumstance, the Opponent points out that the Applicant has alleged in numerous other proceedings in other countries around the world that certain ESTRELLA DAMM – formative marks of the Opponent and certain ESTRELLA GALICIA – formative marks of the Applicant were confusing. [See Exhibits 42 to 63 to the Santander Affidavit: copies of various materials regarding a number of those other proceedings between the parties, including, among others, pleadings and submissions by the Applicant and decisions by intellectual property

offices and authorities in other jurisdictions, including the United States of America, Albania, Bolivia, Brazil, Ecuador, Honduras, Hong Kong, Malaysia, Moldova, Nicaragua, Peru, the Philippines and Sudan.]

[52] I need not address this additional surrounding circumstance in order to find in favour of the Opponent, not to mention that regardless of the previous positions of a party I must determine confusion in accordance with law and relevant jurisprudence [per *Molson Breweries v Labatt Brewing Co* (1996), 68 CPR (3d) 202 (FCTD)].

Conclusion on the likelihood of confusion

[53] As indicated above, the Applicant bears the legal onus of establishing, on a balance of probabilities, that there is not a reasonable likelihood of confusion as to the source of the parties' goods. The presence of an onus on the Applicant means that if, after all the evidence is in, a determinate conclusion cannot be reached, the issue must be decided against the Applicant [see *John Labatt, supra*].

[54] In view of all of the above, I find that, at best for the Applicant, the balance of probability as to the likelihood of confusion between the Mark and the Opponent's trademark ESTRELLA DAMM is evenly balanced. Specifically, I am not satisfied that the differences existing between the parties' trademarks are determinant in themselves and sufficient to outweigh the factors favouring the Opponent. Indeed, in the absence of any additional surrounding circumstances favouring the Applicant, I am not satisfied that the Applicant has sufficiently distinguished its Mark from the Opponent's trademark ESTRELLA DAMM so as to conclusively tip the balance of probability in its favour.

[55] Transposing the Registrar's comments in the *2015 TMOB Decision* to the present case, there is no evidence that other traders are using trademarks comprising ESTRELLA in the marketplace. Thus, while the average beer drinking Canadian may well be sensitive to the names of beers and to what they know and like, there is no evidence that such consumers are accustomed to seeing and having to distinguish between trademarks composed of foreign words containing ESTRELLA and only the Opponent has demonstrated any use or reputation of its mark in Canada.

[56] As the Applicant has failed to demonstrate, on a balance of probabilities, that an average consumer seeing the Mark in association with the Applicant's Goods and having only a vague recollection of the Opponent's trademark ESTRELLA DAMM would not, as a matter of first impression, infer that the Goods are sold or otherwise emanate from or are licensed, approved or sponsored by the Opponent, the section 12(1)(d) ground of opposition succeeds.

Remaining grounds of opposition

[57] As the Opponent has already succeeded under the section 12(1)(d) ground of opposition, I do not consider it necessary to address the remaining grounds of opposition, if not to say that the Opponent would likely have succeeded also on the sections 16 and 2 grounds of opposition revolving around the likelihood of confusion between the Mark and the Opponent's word mark ESTRELLA DAMM and common law design trademarks.

DISPOSITION

[58] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the Application pursuant to section 38(12) of the Act.

Annie Robitaille
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-11-08

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