



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2024 TMOB 020

**Date of Decision:** 2024-01-31

## **IN THE MATTER OF AN OPPOSITION**

**Opponent:** Monster Energy Company

**Applicant:** IICOMBINED Co., Ltd.

**Application:** 1,763,908 for GENTLE MONSTER

### **INTRODUCTION**


[1] Monster Energy Company (the Opponent) opposes registration of the trademark GENTLE MONSTER (the Mark), which is the subject of application No. 1,763,908 (the Application).

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

(1) Advertising and commercial information services via the internet, namely, providing a website featuring commercial information and information in the field of advertising; advice in the field of business management and marketing; information or enquiries on business and marketing, namely, providing information in the field of business management and marketing; rental of advertisement space and advertising material; advertisement planning; advertising agency services; distribution of advertising supplements; business marketing consulting services; leasing of advertising space on web sites; dissemination of advertising for others via an on-line communications network

on the internet; providing and rental of advertising space on the internet; dissemination of advertising for others via the internet; television advertising; consultancy relating to public relations; information retrieval services on the internet for others, namely, providing search engines for the internet; compilation of information into computer databases, namely, compiling databases in the field of bags and wallets, clothing, watches, shoes, spectacles, cosmetics, neckties, socks, sunglasses, accessories, necklace, earrings, rings, key rings, underwear, hats, belts and slings; systemization of information into computer databases; management and compilation of computerized databases; data search in computer files for others; computerized file management; commercial intermediary services, namely, consignment purchasing and sale of bags and wallets; commercial intermediary services, namely, consignment purchasing and sale of clothing; commercial intermediary services, namely, consignment purchasing and sale of watches; commercial intermediary services, namely, consignment purchasing and sale of shoes; sales arranging, namely, consignment purchasing and sale of spectacles; commercial intermediary services, namely, consignment purchasing and sale of spectacles; commercial intermediary services, namely, consignment purchasing and sale of cosmetics; sales arranging, namely, consignment purchasing and sale of cosmetics; commercial intermediary services, namely, consignment purchasing and sale of neckties; commercial intermediary services, namely, consignment purchasing and sale of socks; commercial intermediary services, namely, consignment purchasing and sale of sunglasses; commercial intermediary services, namely, consignment purchasing and sale of accessories for glasses and sunglasses, namely cases for eye glasses and sunglasses, chains for eye glasses and sunglasses, cords for eye glasses and sunglasses, cleaning cloths for eye glasses and sunglasses, cleaning solution for eye glasses and sunglasses; import-export agency services; on-line auction services; retail store services featuring bags and wallets; commercial intermediary services, namely, consignment purchasing and sale of necklaces; commercial intermediary services, namely, consignment purchasing and sale of earrings; commercial intermediary services, namely, consignment purchasing and sale of rings; wholesale and retail store services featuring clothing; commercial intermediary services, namely, consignment purchasing and sale of key rings; commercial intermediary services, namely, consignment purchasing and sale of underwear; commercial intermediary services, namely, consignment purchasing and sale of hats; commercial intermediary services, namely, consignment purchasing and sale of belts and slings

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

Trademark	Reg No	Goods/Services
	TMA932,892	Silicone wrist bands; silicone bracelets; jewelry, namely, bracelets and wristbands
MONSTER ENERGY	TMA690,588	1) Beverages, namely noncarbonated teas. 2) Beverages, namely non alcoholic, non carbonated fruit juice drinks having a juice content of 50 percent or less by volume that are shelf-stable; carbonated soft drinks, carbonated drinks enhanced with vitamins, minerals, nutrients, amino acids and/or

		herbs, carbonated and non-carbonated sports drinks; and water, all of the foregoing wares excluding perishable beverage containing fruit juice or soy, whether such products are pasteurized or not.
MONSTER ENERGY	TMA985,974	Promoting goods and services in the sports, motorsports, electronic sports, and music industries through the distribution of printed, audio and visual promotional materials; promoting sports and music events and competitions for others.
MONSTER ENERGY	TMA989,437	Entertainment services in the form of fireworks, live musical concerts, live performances by a musical band, personal appearances by a fashion, television, singer, athlete, models, and sports celebrity or movie star; Entertainment services in the form of organizing, hosting, conducting and staging professional video gaming competitions; Entertainment services in the form of sponsorship and endorsement of athletes, sports celebrities, and professional gamers; organizing, conducting and staging sports events, namely snowboarding competitions, motor sports events, motocross events, supercross events, motorcycle events, BMX events, snow vehicle racing, MMA fighting, bull riding events, mountain biking events, skiing events, surfing events, water sports events, basketball games, ice skates competitions, football games, automobile races, and free style ski competitions, live musical performances, art exhibitions and hockey, gymnastic, soccer and swimming competitions; on-line publication and provision of multimedia content in the nature of multimedia files containing audio, video, text, still images, and graphics in the fields of sports, fashion, video gaming, celebrities, movies, television shows, and music; providing a website featuring non-downloadable publications in the nature of multimedia content in the nature of multimedia files containing audio, video, text, still images, and graphics in the fields of sports, fashion, video gaming, celebrities, movies, television shows, and music.

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

**THE RECORD**

[5] The Application was filed on January 19, 2016, and was advertised for opposition purposes in the *Trademarks Journal* of June 13, 2018. On August 7, 2018, the

Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). This Act was amended on June 17, 2019 and all references herein are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act before it was amended [see section 70 of the Act which provides that section 38(2) of the Act, as it read prior to June 17, 2019, applies to applications advertised before that date].

[6] The Opponent raises grounds of opposition based on registrability under section 12(1)(d), entitlement under section 16, distinctiveness under section 2, and compliance under sections 30(e) and (i) of the Act.

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

[8] Both parties filed evidence and written representations and attended the hearing.

**PRELIMINARY REMARK – PREVIOUS OPPOSITION INVOLVING APPLICATION NO. 1,784,424 FOR THE TRADEMARK GENTLE MONSTER**

[9] The parties were involved in an earlier opposition proceeding before me involving the identical trademark GENTLE MONSTER filed under application No. 1,784,424, in association with services including: window dressing and display arrangement services; import-export agency services; purchase and sale on consignment services, wholesale services and retail services, all connected with the sale of bags, wallets, clothing, watches, cosmetics, neckties, socks, sunglasses, accessories, namely jewelry, handbags, footwear and eyeglasses, necklaces, earrings, rings, key rings, singlets, caps (headwear), belts, suspenders, glasses, cases for glasses, lenses for glasses, contact lenses, contact lenses; cases and shoes [*Monster Energy Company v IICOMBINED Co., Ltd.*, 2022 TMOB 64, hereinafter the “First Proceeding”]. The opposition, based primarily on an allegation of confusion with various of the Opponent’s MONSTER ENERGY trademarks, was rejected. It is currently on appeal to the Federal Court.

[10] While recognizing that the facts in the present proceeding are distinct, I will refer to the First Proceeding where it is appropriate to do so.

## **OVERVIEW OF THE EVIDENCE**

[11] A brief overview of the evidence is set out below. Pertinent portions of the evidence are discussed further in the analysis of the grounds of opposition.

### ***The Opponent's evidence***

[12] The Opponent filed the affidavit of Rodney Cyril Sacks (sworn March 26, 2019), the Chairman and Chief Executive Officer of the Monster Beverage Corporation and its subsidiaries, including the Opponent. Mr. Sacks provides evidence relating to the business of the Opponent, which he identifies as designing, creating, developing, producing, marketing and selling energy drinks. Mr. Sacks provides information on the product development and launch of MONSTER ENERGY brand energy drinks, sales figures, and information on the channels of trade.

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

[14] The Opponent also filed certified copies of the MONSTER ENERGY Marks.

### ***The Applicant's evidence***

[15] The Applicant filed two affidavits of D. Jill Roberts, a graduate of the law clerk program at Cambrian College in Sudbury, Ontario. The First Roberts affidavit, sworn November 22, 2019, introduces into evidence various printouts (accessed on November 12, 2018 and dates in September and November 2019) from *gentlemonster.com* (the Applicant's website) including pages featuring the Applicant's GENTLE MONSTER branded eyeglasses and sunglasses, a page featuring the Applicant's description of itself as a "designer brand that constantly develops itself under the philosophy of innovational high-end experiments", and information on the Applicant's global anti-counterfeiting program. Ms. Roberts also includes printouts from websites of third party

retailers that are identified as carrying the Applicant's GENTLE MONSTER brand of eyewear in Canada (along with printouts of Canada 411 results pages showing the locations of these retailers). Also provided are:

- Archived printouts of various of the above-referenced websites obtained from the Internet Archive Wayback machine.
- A copy of the Google Analytics page for the Applicant's website for the period of January 2016 to November 2018 and a companion chart, both alleged to show the number of Canadian visitors to the Applicant's website, and provided to Ms. Roberts by Amy M. Thomas, an agent employed by the Applicant, who advised Ms. Roberts that these documents were provided to her by Dae woong Bae, Manager of the Management Support Department at the Applicant.
- Evidence from November 2018 demonstrating where the Opponent's MONSTER ENERGY beverages are available for purchase, including the results of a Google search, a copy of a Loblaws grocery flyer displaying a drink can bearing the trademark MONSTER ENERGY, and photographs showing the Opponent's MONSTER ENERGY drinks in a Loblaws store in Ottawa, Ontario.

[16] The Second Roberts affidavit, sworn November 20, 2019, contains the results of a state of the register search conducted by Ms. Roberts for active Canadian trademark registrations "having the word MONSTER in them."

#### **LEGAL ONUS AND EVIDENTIAL BURDEN**

[17] 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]. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a

consideration of all of the evidence, then the issue must be decided against the Applicant.

## **ANALYSIS OF THE GROUNDS OF OPPOSITION**

### ***Section 12(1)(d) ground of opposition***

[18] The Opponent has pleaded that the Mark is not registrable because it is confusing with the Opponent's registrations for the MONSTER ENERGY Marks (set out above in paragraph 3 of this decision).

[19] The material date for this ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[20] I have exercised my discretion to check the Register and confirm that the registrations for the MONSTER ENERGY Marks are extant [*Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden for this ground of opposition. I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with any of the registrations for the MONSTER ENERGY Marks.

### Test for confusion

[21] In determining whether two trademarks are confusing, all the surrounding circumstances should be considered, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks, 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 [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 at para 54; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 at para 49, where the Supreme Court of Canada states that

section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[22] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when 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, supra*, at para 20].

#### Inherent distinctiveness of the trademarks

[23] The Opponent's MONSTER ENERGY trademark is not very inherently distinctive in relation to beverages as it suggests beverages that will give the user a lot of energy [*Hansen Beverage Company v Rainbow SPA.*, 2010 TMOB 19 at para 15]. The Applicant, in its representations, submits that "similar reasoning applies to the meaning of the words MONSTER ENERGY in respect of promotion of extreme sports and athletes, and entertainment, ie there will be "huge energy" at the snowboarding, hockey, motorsports, mountain biking, fireworks, bull riding and live music events." I agree that the MONSTER ENERGY trademark could be considered slightly suggestive in respect of the Opponent's services that relate to such activities. I do not consider the M MONSTER ENERGY & Design trademark, which is registered in association with "silicone wrist bands; silicone bracelets; jewelry, namely, bracelets and wristbands", to hold any suggestive or descriptive connotation in respect of these goods. The design element of this trademark, namely the long claw icon, further increases the inherent distinctiveness of the trademark in association with these goods.

[24] I consider the Applicant's trademark GENTLE MONSTER to be inherently distinctive in that it holds no suggestive or descriptive connotation in relation to the Services.



Extent known and length of time the trademarks have been in use

[25] As for the extent known and length of time in use, the Mark is based on proposed use and the Applicant has not shown any use of the Mark in association with the applied for Services. Rather, at most, the Applicant's evidence suggests that eyeglasses and sunglasses associated with the Mark (goods that are not covered the Application) may have been available for sale on the Applicant's and various third party websites, as well as in third party retail stores, between 2017 and 2019 (First Roberts affidavit). The First Roberts affidavit also contains some data on the number of Canadian visitors to the Applicant's website (Exhibit T). However, this evidence carries little weight as it comprises hearsay.

[26] As for the Opponent's MONSTER ENERGY Marks, the Opponent has provided the Sacks affidavit to show that the Opponent has used MONSTER ENERGY in Canada. As in the First Proceeding, the Applicant submits that the statements made in paragraph 1 of the Sacks affidavit are unclear such that it is not known if the trademark use described in the affidavit enures to the Opponent. While I agree that this portion of the affidavit could have been clearer, based on my reading of the affidavit in its entirety, and considering that the Applicant chose not to cross-examine Mr. Sacks when it had the opportunity to do so, I consider that the use of the MONSTER ENERGY Marks in Canada set out in the Sacks affidavit enures to the benefit of the Opponent.

[27] The Opponent takes the position that "the MONSTER ENERGY Marks have become well-known to Canadian customers as a result of massive sales, advertisement and promotion in association with, among others, energy drinks, merchandising items, entertainment services in the form of sponsorship and endorsement of athletes, sports celebrities, and professional gamers, and the promotion of goods and services in the sports, motorsports, electronic sports, and music industries." (paragraph 33 of the Opponent's written representations). To this end, pertinent portions of the Sacks affidavit are summarized below:

- Monster's brands, including its famous 'Claw Icon' and its MONSTER and MONSTER ENERGY marks (defined collectively in his affidavit as the

MONSTER Marks) used in connection with the MONSTER and MONSTER ENERGY lines of beverages, are well-known throughout the United States and internationally, including in Canada (para 5).

- Monster launched its MONSTER energy beverage line in Canada in 2003. All MONSTER energy drinks sold in Canada bear one of the MONSTER Marks. As of the 52 week period ending August 24, 2015, Monster held a 28.9% market share by unit volume in Canada (para 8).
- Millions of cans of MONSTER energy drinks bearing the MONSTER Marks (Exhibit RCS-2) are sold each month in Canada. Since its launch in 2003 to June 30, 2015, over 422 million cans of MONSTER energy drinks have been sold in Canada, which corresponds to over US\$506 million in sales (para 13).
- MONSTER energy drinks are sold in over 33,000 total outlets, in the channels of retail stores, gas stations and other outlets such as grocery stores, drug stores, and on-premise (para 15).
- Monster does not use conventional marketing strategy such as direct television or radio advertising to promote the MONSTER Marks (para 19). Rather, the majority of its marketing, advertising and promotional budget is allocated to athlete endorsement and sponsoring athletic competitions and other events. In particular, Monster's marketing focus includes international events, including but not limited to events that are webcast on the internet to reach its primary target market of young adults aged 18 to 34 years old, primarily males, though this demographic of consumers has expanded over time and MONSTER energy drinks are increasingly being consumed by more females as well as older persons (para 20).
- In addition to the actual contractual amounts paid to sponsor athletes and racing teams, Monster expends substantial amounts in supporting the sponsored athletes, teams and sports through point of sale materials, sweepstakes and give-a-ways, wrapping/branding the athletes' vehicles, paying for the athletes' travel expenses and by providing them with Monster-branded apparel, free products for sampling stations, and action sports gear bearing the MONSTER Marks. Further, Monster hires employees and outside

companies to attend events to support and monitor the sponsored athletes at every event and to provide hospitality and sampling of products to consumers (para 20, Exhibit RCS-3).

- Monster has widely advertised, marketed and promoted its MONSTER energy drinks bearing the MONSTER Marks through the sponsorship of athletes and athletic competitions around the world (which includes vast media and Internet coverage), on apparel and merchandise bearing the MONSTER Marks distributed in retail outlets, in magazines, on the MONSTER and other internet websites, through social media such as its Facebook page, in publications, through the sponsorship of music festivals and musicians, and through the distribution of point of sale and promotional materials (para 23).
- For the period of 2011 to June 30, 2015, Monster spent more than \$111 million (USD) on advertising, marketing, and promoting its MONSTER energy drinks in Canada (para 24). Almost without exception, Monster's advertisements and promotions for its MONSTER energy drinks feature the MONSTER Marks (para 25).
- Monster allocates a large proportion of its marketing, advertising and promotional budget on athlete endorsements and sponsoring athletic competitions and other events, particularly international events "webcast on the internet where our target market of young males spends a great deal of time." Such activities include Formula F1 Racing, Moto GP, Supercross, and Ultimate Fighting Championship (para 26).
- Monster's sponsorship of sporting events involves the MONSTER Marks being prominently displayed at events on banners, posters, signs, and on clothing and accessories sold at the events, on transport, support and hospitality tractor trailers, on motor homes and promotional vehicles that tour the circuit for various sports (para 27).
- A list of notable Canadian athletes that have been sponsored or are currently sponsored by Monster is provided at paragraph 110, and details of Canadian

events sponsored by Monster are set out at paragraphs 117 to 124 of the Sacks affidavit.

- As another form of marketing its MONSTER energy drinks to its target audience, Monster has made extensive use of the internet and social media (para 132). Monster launched the MONSTER ENERGY website at *monsterenergy.com* on August 19, 2003. From September 2010 to August 2015, the website received more than 1.09 million visits from Canada (para 133). Advertising and promotion of the MONSTER energy drinks is also made through social media platforms including Facebook, X (formerly Twitter), Instagram, and YouTube (paras 133-141).
- The MONSTER Marks have also been featured in video games available for purchase in Canada (paras 162-165), and in cross promotions involving partnerships with video game publishers to generate more exposure for the MONSTER Marks (para 166). For instance, Monster has engaged in such a partnership with the publishers of the game “Call of Duty-Modern Warfare 2”, which has sold millions of copies worldwide, including in Canada.
- Since 2011, Monster has also sponsored E-Sports (competitive video game teams) which compete in multiplayer video game competitions. As part of these sponsorships, the E-Sports teams sponsored by Monster have the MONSTER Marks on their uniforms and have a can of one of the MONSTER energy drinks by their keyboard (para 168).

[28] In its written representations, the Applicant submits that any distinctiveness that the Opponent may have acquired in relation to energy drinks does not extend to its registrations because none of the registrations list “energy drinks” in the goods (para 87). While the goods registered under TMA690,588 are described as “sports drinks” and not “energy drinks”, I find these terms to be synonymous [a similar approach was adopted in *Monster Energy Company v Global Gourmet Foods Inc*, 2022 TMOB 41 at para 19] such that the distinctiveness acquired by the Opponent in relation to energy drinks extends to its registration covering “sports drinks”. Based on my review of the

evidence, I find that the MONSTER ENERGY trademark has become extremely well-known in association with energy drinks.

[29] The Applicant also submits that the Opponent's promotional and advertising activities are only for the benefit of the Opponent's business, and that advertising one's own products (energy drinks) is not trademark use. In response, the Opponent takes the position that while its promotional activities create some benefit for the Opponent's energy drinks, which are unquestionably at the center of its promotional activities, that these promotional and sponsorship activities nonetheless have "have a life of their own" insofar as they also benefit third parties. In support, the Opponent cites the approach taken by the Registrar in *Bicycle Group Inc v Rona Inc*, 2006 CanLII 80382 (CA TMOB), where the Registrar considered the applied-for services "sponsorship of bicycle racers" to constitute services within the meaning of section 4(2) of the Act. The same argument and reply was made by the parties in the First Proceeding.

[30] In the First Proceeding, I found that the rationale applied in *Bicycle Group v Rona, supra*, was applicable such that the fact that the Opponent benefitted from its promotional and sponsorship services did not detract from the fact that these services also benefitted third parties, thus properly constituting services under section 4(2) of the Act. Likewise, I find this rationale to be applicable to the present case and find that the Sacks affidavit establishes that the Opponent's trademark MONSTER ENERGY has acquired a significant degree of distinctiveness in association with its sponsorship and endorsement of athletes and gamers, and its sponsorship and promotion of sporting events and competitions, even though these promotional services are centered around the Opponent's MONSTER ENERGY energy drinks.

[31] With respect to the goods "silicone wrist bands; silicone bracelets; jewelry, namely bracelets and wristbands", I find that the Sacks affidavit has not shown use of these goods under section 4(1) of the Act as there is no evidence that these goods have been available for sale or sold in Canada. As an aside, I would add that the filing of a certified copy of the M MONSTER ENERGY & Design mark allows me to infer, at best, only *de minimis* use of this trademark [*Tokai of Canada v Kingsford Products Company*,

LLC, 2018 FC 951 at para 37]. However, such an inference does not support the finding that this trademark was known to any significant extent or that it has been in continuous use [*Krauss-Maffei Wegmann GmbH & Co KG v Rheinmetall Defence Electronics GmbH*, 2017 TMOB 50 at para 20]. The same can be said for the rest of the goods and services set out in the certified copies of the Opponent's registrations for which no use has been shown, for example "entertainment services in the form of fireworks" in TMA989,437.

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

[32] It is the Applicant's statement of goods as defined in the Application versus the statement of goods in the Opponent's registrations for the MONSTER ENERGY Marks that govern my determination of this factor. However, these statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 1996 CanLII 3963 (FCA), 68 CPR (3d) 168 (FCA)]. That said, although evidence of a party's actual trade may provide valuable context when interpreting its statement of goods and services, caution should be taken not to restrict the scope of protection based on actual use [*Absolute Software Corporation v Valt.X Technologies Inc.*, 2015 FC 1203]. Actual use is not irrelevant, but it should not be considered to the exclusion of potential uses within the registration [*Masterpiece*, *supra*].

[33] The Opponent submits that "considering the very broad nature of services, Class 35 services more specifically, the nature of commerce at issue and the possible channels of trade are almost without limit, on both sides." The Opponent takes the position that there is some overlap or connection between the goods and services of the parties, particularly as:

- Both parties have, as part of their service offerings, "content disseminated on the internet whether in the field of fashion or clothing and accessories" (as listed in the Opponent's TMA989437).

- There is a connection between bracelets and wristbands (listed in the Opponent's TMA932,892) and the Applicant's consignment sale of jewellery services;
- The Opponent's services under TMA989,437 and TMA985,974 and the services in the Application both cover services relating to advertising.

[34] The Opponent also submits that the First Roberts affidavit does not add any value to the analysis since the fact that the Applicant offers sunglasses for sale in Canada, directly or through Canadian retailers, is irrelevant for the purpose of the present opposition.

[35] For its part, the Applicant takes the position that the Services do not overlap in any way with the goods and services of the Opponent. The Applicant emphasizes that there is a contrast between the nature of the businesses of the parties, submitting that "the parties' mainstay products, namely the Applicant's luxury, high-fashion eyewear, and the Opponent's energy drinks are sold in entirely different channels of trade, and to entirely different segments of the public..." and that the subject Application simply "expands the Applicant's business into a broader range of luxury products, and into the services of wholesaling, retailing and, offering on consignment said luxury products", though I note the Applicant has not provided direct evidence of this. The Applicant also submits that the parties' products and businesses appeal to very different demographics – the image of the Applicant's eyewear brand is "artistic, sleek, clean and sophisticated" while the Opponent's MONSTER ENERGY beverages evoke an "edgy and aggressive" image that appeals primarily to young males.

[36] With respect to the sports drinks covered under the Opponent's registration No. TMA690,588, I find these goods, which are the cornerstone of the Opponent's business, differ significantly from the Applicant's Services. As for the jewellery covered under the Opponent's registration No. TMA932,892, I do not consider these goods to be related to the Applicant's consignment, purchasing and sale of jewellery services, particularly considering the only reference to jewellery in the Sacks affidavit (which was not even a sale of jewellery) is in the nature of a silicone wristband worn primarily as a promotional

item for MONSTER ENERGY brand energy drinks. That said, considering that any actual use or reference by the Opponent should not be considered to the exclusion of potential uses within the Opponent's registration, I cannot completely rule out the possibility, though remote, that jewellery sold by the Opponent under the trademark MONSTER ENERGY (featuring a claw design) could subsequently be sold on consignment through the Applicant's consignment services.

[37] As for the Opponent's services listed under registration No. TMA989,437 that involve providing content on the internet, as submitted by the Opponent, there is arguably some similarity with the Applicant's services in that they also relate to content on the internet, for instance "providing search engines for the internet, compilation of information into computer databases". However I consider this similarity or connection to be very broad. When considering these services in the context of the parties' actual trades, any similarity between these services would be further reduced.

[38] Likewise, there is arguably at least some similarity, at a very broad level, between the parties' services covering or relating to advertising. However, when considering these services in the context of the parties' actual trades – in particular, recognizing that the Opponent's advertising and promotional activities are centered around the promotion of its energy drink business – any similarity or connection would be further reduced.

[39] I do not find there to be any overlap or connection between the registered goods and services of the Opponent and the remainder of the applied-for Services, including import-export agency services; online auction services; commercial intermediary services, namely consignment, purchasing and sale of bags, wallets, clothing, cosmetics, spectacles, eyeglass cleaning cloths and cleaning solution, sunglasses, watches, shoes, socks, neckties, hats, belts and slings; and retail and wholesale store services generally featuring these items.

#### Degree of resemblance

[40] In most instances, the degree of resemblance between the trademarks is likely to have the greatest effect on the confusion analysis. In *Masterpiece, supra*, the Court



observed that while the first word (or syllable) of a trademark may, for purposes of distinctiveness, be the most important in some cases [*Conde Nast Publications Inc v Union des editions moderns* (1979), 46 CPR (2d) 183 (FCTD)], a preferable approach is to first consider whether there is an aspect of the trademark that is particularly striking or unique.

[41] The Opponent submits that “both parties’ trademarks contain the distinctive word MONSTER which results in important visual and phonetic similarities between the marks” and that “in both marks the word MONSTER is the most important or striking word: in one case the word MONSTER is qualified by an adjective (which is a complement to the main word) and in the other case the word ENERGY refers to energy drinks.” (written representations at paras 54 and 56).

[42] The Applicant emphasizes that the ideas suggested by the parties’ trademarks is very different. In this regard, an excerpt from the Applicant’s representations is shown below:

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

68. At para 22 of his affidavit, Mr. Sacks states “... Monster Marks are all about image. The ‘MONSTER image’ needs to appeal to Monster’s target market of young adults aged 18 to 34 year old, primarily males. The image of the MONSTER energy drinks is therefore ‘edgy and aggressive.’ The athletes and events Monster sponsors tend to be edgy and aggressive, or extreme.” The Opponent’s own marketing supports the argument that its MONSTER ENERGY marks are intended to convey aggressiveness, fear and extreme energy.

69. Further, with respect to the M MONSTER & Design mark, the claw scratch contributes to the “edgy and aggressive” message. This distinguishes the mark from the Applicant’s GENTLE MONSTER, which evokes the opposite feeling and message.

[43] The Applicant further submits that the parties’ trademarks are not similar in sound and appearance as the first word of the parties’ marks is different, since the first

word of a trademark is often considered the most important and dominant (paragraph 70 of the written representations).

[44] In my view, the word MONSTER constitutes the most striking element of the Opponent's trademark MONSTER ENERGY whereas the combination of the words GENTLE and MONSTER is the most striking element of the Mark. Given that the Mark contains the word MONSTER there is some similarity between the parties' trademarks visually and when sounded. However, the degree of similarity resulting from the shared word is notably reduced given that MONSTER appears as the first element of the Opponent's trademark but as the last element of the Mark.

[45] As for the ideas suggested, I agree with the Applicant's submissions that the parties' marks are very different in ideas suggested. The coupling of the words GENTLE and MONSTER is unusual as these words hold contrasting meanings and evoke opposite feelings.

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

[47] Overall, when the parties' trademarks are considered as a whole, in my view they are more different than they are similar. Consequently, this important factor favours the Applicant.

#### Surrounding circumstance – state of the register

[48] Evidence concerning the state of the register is relevant to the extent that inferences may be drawn regarding the state of the marketplace [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FC)]. Inferences regarding the state of the market may be drawn from such evidence only if a large number of relevant trademarks are located [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 1992 CanLII 14792 (FCA), 43 CPR (3d) 349 (FCA); *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paras

41-46]. Relevant trademarks include those that (i) are registered or are allowed and based on use; (ii) are for similar goods and services as the marks at issue, and (iii) include the component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197 at para 38].

[49] In *Hawke & Company Outfitters LLC v Retail Royalty Company*, 2012 FC 1539, the Court noted that the exact number of similar marks needed to establish that an element of a mark was commonly adopted as a component of trademarks used in association with the relevant goods or services at the material date likely depends on the facts of a given case. The Court also noted that "...a search of the Trade-marks Office Register is not the best way to establish the state of the marketplace or the actual use of a mark. The fact that a mark appears on the register does not show that it is currently in use, was in use as of the relevant material dates, is used in relation to wares or services similar to those of the parties, or the extent of any such use..." [para 40]. In *Canada Bread Company, Limited v Dr Smood ApS*, 2019 FC 306, the Court affirmed these comments, noting that "it remains very much unclear what inference may legitimately be drawn without evidence of the use made by third parties in the marketplace of a common element." [para 61].

[50] For this surrounding circumstance the Applicant relies on the Second Roberts affidavit which contains the results of a search conducted on September 10, 2019, for active registrations containing the word MONSTER, with no limitations on the goods and services. This search yielded 183 registrations and excludes any registrations owned by the Opponent. In its written representations, the Applicant provides a chart distilling the results down to "46 marks with MONSTER owned by 35 different owners, all for use with goods and services that overlap with those listed in the Opponent's marks: TMA932,892 for M MONSTER ENERGY & Design, TMA985,974 and TMA989,437 for MONSTER ENERGY." The Applicant submits that as such, "consumers are used to distinguishing among trademarks having the word MONSTER in the Opponent's areas of trade."

[51] For its part, the Opponent submits that of the 183 registrations located by the Applicant, very few cover services in Class 35 or related services. The Opponent further submits that “if the Applicant meant to show the co-existence of several MONSTER formative trademarks on the register and to argue that such co-existence has an impact on the distinctive character of the Opponent’s marks, the state of the register evidence filed by the Applicant does not achieve that goal as it is not specific to the services of interest to the Applicant.”

[52] On review of the Applicant’s search results, I find a large number of the 183 registrations to be irrelevant as they are listed for use with disparate goods and services for instance: AUGER MONSTER and Design (TMA499,109) for “machines for treatment of waste water...”, BRIDE HOLDING MONSTER (TMA672,188) for “automotive products namely seats, steering wheels...”, FERMONSTER (TMA988,276) for “winemaking equipment and supplies”, GUTTER MONSTER (TMA665,545) for a “metal gutter cover system”, MONSTER BLOOM (TMA530,620) for “plant fertilizer”, MONSTER CEREALS (TMA405,258) for “breakfast cereals” and MONSTER DAB (TMA952,188) for “electronic portable vaporizer pens”. Many of the trademarks listed in the search results also look very different from the parties’ trademarks.

[53] Likewise, of the 46 registrations filtered to include “goods and services that overlap with those listed in the Opponent’s marks”, I find a significant number of these results are not particularly helpful as they are listed for goods or services that are not closely related to those of the Opponent, for instance DUNGEON DICE MONSTERS (TMA588,100) for goods including “computer games”, CAPSULE MONSTER COLISEUM (TMA647,119) for “video game software and programs”, DQM/DRAGON QUESTION MONSTER – Joker (Stylized) (TMA710,786) for “computer game software”, MONSTER MARBLES (TMA837,160) for “action skill games; equipment sold as a unit for playing action type target games”, MONSTER HOCKEY (TMA848,459) for “hockey sticks”, and MONSTER BAITING (TMA988,137) for “computer games, computer video games, video game software...”. It is also noteworthy that the goods and services associated with most of these registrations do not overlap with the applied-for Services. Many of these registrations can also be differentiated on the basis that they contain

elements that significantly distinguish them from the trademarks at issue in the present proceeding, for instance: PERCY JACKSON SEA OF MONSTERS (TMA881,690), MONSTERS LOVE CANDY (TMA895,579), JAKE & TESS' FINDING MONSTERS ADVENTURE & Design (TMA966,120; TMA968,604; TMA968,625), and MONSTER IN A BOX & Design (TMA968,762).

[54] Accordingly, the state of the register evidence does not assist the Applicant to any significant degree.

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

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

#### Renown of the Opponent's MONSTER ENERGY Marks

[56] As noted above, I find the Opponent's evidence establishes that the Opponent's MONSTER ENERGY trademark is extremely well-known in association with energy drinks, and is also well-known in association with various promotional and sponsorship activities (which are centered around the Opponent's energy drink business, but also benefit third parties). That said, I do not consider that this renown would extend beyond this specific association to the applied for Services of the Applicant, which are largely unrelated to the core goods and business of the Opponent [see *Joseph E. Seagram & Sons Ltd v Seagram Real Estate Ltd* (1990), 33 CPR (3d) 454 at pp 467-68 where

Mackay J. noted that consideration of possibilities of diversification is properly restricted to the potential expansion of existing operations and should not include speculation as to diversification into entirely new ventures, including new kinds of goods, services or businesses, also cited in *Mattel, supra* at para 82].

#### Conclusion on the section 12(1)(d) ground

[57] Having considered all of the surrounding circumstances, I conclude that the Applicant has satisfied its legal burden to show that there is no reasonable likelihood of confusion between the parties' trademarks. Notwithstanding the extent known and length of time in use of the Opponent's MONSTER ENERGY trademark, and that some of the parties' services and channels of trade may be considered to be related, albeit only remotely, I do not consider the degree of resemblance between the trademarks to be sufficiently high so as to give rise to a likelihood of confusion. Therefore, the section 12(1)(d) ground of opposition is rejected.

#### **Sections 16 and 2 grounds of opposition**

[58] The material date for a ground of opposition under section 16(3)(a) (inadvertently cited as 16(3)(b) in the statement of opposition) is the date of filing of the application. The material date for a section 2 ground of opposition is the date of filing of the statement of opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185]. Both of these grounds turn on the issue of a likelihood of confusion.

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

#### **Section 30 grounds of opposition**

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

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

[62] However, the Opponent did not file any evidence or make any submissions (written or at the hearing) in support of these allegations, with the result that the Opponent has failed to meet its initial burden. Accordingly, the section 30(e) ground of opposition is rejected.

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

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

[64] I note that the Opponent did not make any substantive representations on these grounds of opposition.

[65] Where an applicant has provided the statement required by section 30(i) of the Act, this ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol-Myers*

Co (1974), 15 CPR (2d) 152 (TMOB) at 155]. Mere knowledge by the Applicant 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 [*Woot Inc v Woot Restaurants Inc/Les Restaurants Woot Inc*, 2012 TMOB 197]. In this case, the Applicant has provided the necessary statement and this is not an exceptional case.

[66] As for the remaining allegations under this ground, I find that the Opponent has not met its burden with respect to establishing all three elements required to show a violation of section 7(b) of the Act [as set out in *Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC), [1992] 3 SCR 120 at para 33 cited by *Pharmacommunications Holdings Inc v Avencia International Inc*, 2008 FC 828 at para 41], nor does the Opponent's evidence support a likelihood of depreciation of goodwill which would establish a violation of section 22 [as set out in *Veuve Cliquot* at paras 46, 63-68]. For instance, there is no evidence of deception of the public due to misrepresentation. Further, I am not satisfied that there is likely to be a mental linkage in the mind of a typical consumer between the Applicant's Mark and the Opponent's trademarks given the lack of resemblance between them.

[67] Accordingly, as the Opponent has not met its initial burden, the grounds of opposition under section 30(i) are rejected.

### **DISPOSITION**

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

---

Jennifer Galeano  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office



# Appearances and Agents of Record

**HEARING DATE:** 2023-09-21

## **APPEARANCES**

**For the Opponent:** Catherine Bergeron

**For the Applicant:** Adele Finlayson

## **AGENTS OF RECORD**

**For the Opponent:** Robic

**For the Applicant:** Moffat & Co.