



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2024 TMOB 225

**Date of Decision:** 2024-12-27

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

**Opponent:** Instituto Dos Vinhos Do Douro e Do Porto, I.P.

**Applicant:** SALENTEIN ARGENTINA B.V.

**Application:** 1,901,699 for PORTILLO

## **INTRODUCTION**

[1] The Instituto Dos Vinhos Do Douro e Do Porto, I.P. (the Opponent) is a public institute of Portugal whose mission includes the promotion and protection, in Portugal and abroad, of the PORT designation of origin, which designates a certain type of wine produced in a certain region of Portugal under specific conditions.

[2] The Opponent opposes registration of the trademark PORTILLO (the Mark), which is the subject of application No. 1,901,699 (the Application) in the name of Salentein Argentina B.V. (the Applicant). The Application, as amended, is in association with "Wines, namely, Malbec, Sauvignon blanc, Cabernet Sauvignon, Chardonnay, Rosé, Merlot, Pinot Noir, and specifically excluding port" (the Goods). The Application claims use of the Mark in Canada since at least as early as July 23, 2010.

[3] A key issue in the opposition is whether the Mark is deceptively misdescriptive of the character and/or quality of the Goods, and/or of their place of origin in that consumers seeing the Mark in association with the Goods would expect them to have the features or characteristics of port wine, or originate from a specific region in Portugal, and would be misled and deceived by the Goods as they are neither port or port-based wine (thus lacking the character and quality of port), nor are they produced in Portugal.

[4] Another key issue is whether the Mark is in whole or in part a protected geographical indication identifying a wine benefitting from the PORT geographical indications, where the Mark is to be registered in association with a wine not originating in a territory indicated by the geographical indication, namely the Douro region of Portugal.

[5] For the reasons that follow, the Application is refused.

#### **THE RECORD**

[6] The Application was filed on May 30, 2018, and contains the following foreign character translation:

As provided by the applicant, the translation of PORTILLO is “small gate or wicket”.

[7] The Application was advertised for opposition purposes in the *Trademarks Journal* of August 26, 2020. On November 23, 2020, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act* (RSC 1985, c. T-13) (the Act). The grounds of opposition relate to registrability under sections 12(1)(b) and 12(1)(g), distinctiveness under section 2, and non-compliance with sections 38(2)(e) and 38(2)(f) of the Act.

[8] The Applicant filed a counter statement denying the grounds of opposition. Both parties submitted evidence and written representations, and no hearing was held.

### **OVERVIEW OF THE EVIDENCE**

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

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

[10] In support of the opposition, the Opponent filed the affidavits of Roseline Lees (sworn July 11, 2022) and Jayne White (sworn July 11, 2022). No cross-examinations were conducted on these affidavits. The Opponent also filed certified copies of the PORTO, PORT, PORTWEIN, PORTVIN, PORTWIJN and OPORTO geographical indications.

#### **The Lees affidavit**

[11] At the time of swearing of her affidavit, Ms. Lees was a legal assistant and litigation team coordinator employed by the previous agents for the Opponent. Ms. Lees includes printouts of parts of the Opponent's website including pages explaining the mandate of the Opponent, information on port wine and the Douro region of Portugal (where port wine originates), and information on the amount of port wine (liters/Euros/Euros per liter) sold to Canada between 2006 and 2021.

[12] Ms. Lees provides the results of searches for PORT/PORTO on the websites of the Ontario and Quebec liquor commissions (LCBO and SAQ, respectively). Printouts of these results include pages displaying the inventory of port wines as well as pages referencing port wine in articles, and in food and cocktail recipes. Ms. Lees also attended at a LCBO store in Ottawa, and took photographs of the 'Portugal' and 'Port/Porto' sections.

[13] In addition, Ms. Lees provides printouts of entries in English and French dictionaries including for 'port', 'porto', and for various words ending in '-illo'. She also provides articles discussing port wine and/or the Douro region in Portugal published on various websites (including WineAlign and The Lonely Planet), and excerpts from books she borrowed from the Ottawa Public Library (including *Le Cordon Bleu Wine Essentials*, *Kevin Zraly's Windows on the World Complete Wine Course* (25<sup>th</sup> Anniversary Edition) and *The Wine Lover's Bucket List*).

[14] Ms. Lees also attaches extracts from the Applicant's websites (*bodegasalentein.com* and *portillowines.com*), which indicate the Applicant's wines originate from Argentina, and printouts of the Applicant's Portillo wine from the SAQ and LCBO websites. A printout from the 'Drizly' website featuring the Portillo product is also provided; it shows a bottle of the Applicant's PORTILLO Cabernet Sauvignon miscategorized as a port wine.

#### The White affidavit

[15] At the time of swearing of her affidavit, Ms. White was a law student employed by the previous agents for the Opponent. Ms. White conducted various searches of newspapers using the Dow Jones Factiva Database and applying combinations of 'Port', 'Porto', and 'wine'. The results include articles published in *The Globe and Mail*, *Toronto Star*, *National Post*, *Calgary Herald*, *Montreal Gazette*, *Vancouver Sun*, *Windsor Star* and *Ottawa Citizen*, that discuss port wine and/or the Douro region. Samples of articles include:

- "WINE TRAVEL THE PORTO REGION A river of port in the valley of the Rio Douro, Portugal's 'River of Gold', is the birthplace – and purists insist, only legitimate producer – of the velvety libation known as port wine" published in *The Globe and Mail* (May 24, 1997)
- "A vintage holiday in Portugal; The country's northwestern corner holds many treasures for port-wine lovers" published in *The Globe and Mail* (July 26, 2003)

- “Experience and taste fine Portuguese fortified wine; Explore Douro Valley, the only place where port is produced, Rick Steves writes” published in the *Windsor Star* (September 27, 2019), *Montreal Gazette* (August 31, 2019), *Vancouver Sun* (August 27, 2019), *Victoria Times Colonist* (August 10, 2019)
- “Porto: Wine, hills and sunsets in Portugal’s 2nd city; Porto is the place to explore for this fortified wine, charming cafes and worthy shopping” published in the *Hamilton Spectator* (March 25, 2017), *Postmedia Breaking News* (March 24, 2017), *The Canadian Press* (March 22, 2017)
- “Port is for parka season: Embracing some of the best summer offerings from Portugal’s Douro region” published by *Postmedia Breaking News* (August 5, 2016)

### ***The Applicant’s evidence***

#### The Engelenburg affidavit

[16] In support of the Application, the Applicant filed the affidavit of Aart Cornelis van Engelenburg. Mr. Engelenburg is the Finance Director of the Applicant and has held this role since October 2019. The affidavit provides information on the Applicant’s business, the PORTILLO line of wines, and the adoption, use and promotion of the Mark in Canada. Mr. Engelenburg was not cross-examined on his affidavit.

#### *The Applicant’s business*

[17] The Applicant is the principal shareholder of Bodegas Salentein SA (Bodegas Salentein) which company is located in Mendoza, Argentina and operates a number of vineyards. The Applicant has licensed the use of various of its trademarks, including the trademark PORTILLO and variations thereof, in Canada and elsewhere to Bodegas Salentein in circumstances and on terms pursuant to which the Applicant controls the character or quality of the goods produced and services performed by Bodegas Salentein.

### *PORTILLO wines*

[18] Mr. Engelenburg states that PORTILLO is a Spanish word which, in English, means 'gate' and is sometimes also used to connote a 'gap', 'gateway', or 'portal'. The PORTILLO line of wines produced and sold by the Applicant includes, and has for more than ten years included the varietals Malbec, Cabernet Sauvignon, Sauvignon Blanc, Chardonnay, Rosé, and Pinot Noir crafted by the Applicant at its winery estate in the Uco Valley in Argentina. Mr. Engelenburg provides an extract from the *portillowines.com* website explaining the Applicant's choice of the Mark as follows: "...Inspired by the high elevation crossings along the Andes Mountain Range, we named our wines Portillo, the Spanish word for gateway or portal." The PORTILLO line of wines is described as featuring "young varietals" (para 8).

### *The adoption and use of PORTILLO in Canada*

[19] Mr. Engelenburg states that PORTILLO was adopted and first used in association with wines in the form 'Finca el PORTILLO', which translates into English as 'the Estate of el Portillo'; shipments of Finca el PORTILLO wines to Canada commenced in May 2002. In 2009, the labelling was updated to remove the reference to 'Finca el', in part to emphasize the distinctive PORTILLO element. Shown at paragraph 13 of the Engelenburg affidavit are photographs described as "depicting various labels adopted and used commencing in 2009 to present". I note that all of the photographs show wine bottles with labels prominently featuring the Mark.

[20] Mr. Engelenburg states that the Mark is, and at all material times since 2003 has been used by the Applicant in Canada and abroad by, among other things, being prominently displayed on the labelling of bottles and cases of wine, on corks, and on invoice and shipping documents and in promotional materials. Shown at paragraph 19 of the Engelenburg affidavit are examples showing how the Mark has been, and continues to be used on wooden boxes

in which the wines are packaged in pairs for sale, and on cardboard boxes (shown flattened) in which the PORTILLO wines are shipped and delivered to customers in Canada for resale.

[21] Mr. Engelenburg notes that in Canada, the Applicant secured a registration (TMA583,300) for the trademark FINCA EL PORTILLO in 2003; this registration subsequently lapsed for failure to renew. The instant Application, reflective of the Applicant's updated label, was filed just prior to the cancellation of the FINCA EL PORTILLO registration.

*Sales and promotion of PORTILLO wines*

[22] Mr. Engelenburg states that the PORTILLO wines "are sold, and have at all material times for well more than 10 years been sold" in Canada by Bodegas Salentein to provincial liquor control boards and, in provinces without central liquor commissions, to exclusive distributors and wine/beer agents. The earliest sales in Canada of PORTILLO wines were principally through the LCBO and SAQ. Sales in other provinces have fluctuated over the years but, in addition to listings in the LCBO and SAQ, the Applicant has continuously to present sold its PORTILLO wines in Canada through the BCLDB in British Columbia, and through the NSLC in Nova Scotia. In various years during the period 2010 to 2023, the PORTILLO wines have also been sold in Alberta, New Brunswick, Manitoba and Prince Edward Island.

[23] Mr. Engelenburg provides annual shipment information (approximate number of cases/bottles) of PORTILLO wines to Canada for 2010 to 2022. He states that records for years prior to 2010 are not available as the Applicant's accounting system was changed in 2010.

[24] Mr. Engelenburg states that the PORTILLO wines have been advertised and promoted in Canada by distributors and Canadian wine vendors, including several provincial liquor control boards, in print and electronic

magazines and on websites. The PORTILLO wines have also been highlighted in various print and electronic magazines and on numerous websites in Canada. Exhibit D is described as a batch of copies of printouts from magazines and websites that are representative of the manner in which the PORTILLO wines have been highlighted and promoted in Canada over the years.

*Co-existence of PORTILLO trademarks with the Opponent's protected geographical indications*

[25] Mr. Engelenburg states that the Mark, together with various related trademarks all distinguished by the element PORTILLO, is registered for use with wines in more than 20 countries. Exhibit A to the Engelenburg affidavit is a schedule displaying the details of the Applicant's worldwide portfolio of trademarks that consist of and/or comprise the word PORTILLO. Prior to the instant opposition, the Opponent did not oppose or otherwise object to the use and registration of any of the PORTILLO trademarks listed in Exhibit A. These trademarks have coexisted in the marketplace with the Opponent's protected geographical indications for well more than 20 years.

[26] Mr. Engelenburg states that throughout his employment with the Applicant, he has never received or become aware of any complaint or query from a customer or distributor who was confused by the use of the PORTILLO trademark or mistakenly thought that the product being marketed and sold under the PORTILLO trademark emanates from the Douro region of Portugal or was a port fortified wine product.

**LEGAL ONUS AND EVIDENTIAL BURDEN**

[27] At the outset, there is an evidential burden on the Opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd v Molson Companies Ltd* (1990), 1990 CanLII 11059 (FC), 30 CPR (3d) 293 (FCTD)]. This means that in order for the issues raised by



the Opponent to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

[28] For those allegations for which the Opponent has met its evidential burden, the legal onus is on the Applicant to show that the Application does not contravene the provisions of the Act as alleged in the statement of opposition. The presence of a legal onus on the Applicant means that, if a determinate conclusion cannot be reached once all the evidence has been considered, then the issue must be decided against it.

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

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

[29] The Opponent has pleaded that the Mark is not registrable because, contrary to section 12(1)(b) of the Act the Mark is, whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods covered by the Application or the conditions of or the persons employed in their production or of their place of origin.

#### **Assessment of a section 12(1)(b) ground of opposition**

[30] The registrability of the Mark under section 12(1)(b) must be assessed as of the filing date of the Application, which in this case is May 30, 2018 [*Fiesta Barbeques Ltd v General Housewares Corp*, 2003 FC 2003 FC 1021, 28 CPR (4th) 60].

[31] The fact that a trademark is a coined word that does not appear in the dictionary does not by itself prevent that trademark from being found to be clearly descriptive or deceptively misdescriptive [*Oshawa Group Ltd v Registrar of Trade-marks* (1980), 1980 CanLII 4192 (FC), 46 CPR (2d) 145

(FCTD); *Der Stabilisierungsfonds für Wein v Andrés Wines Ltd*, 1986 CarswellNat 647, 14 CPR (3d) 225].

[32] The issue as to whether the Mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the associated goods. The Mark must not be carefully analyzed but must be considered in its entirety as a matter of first impression [*Wool Bureau of Canada Ltd v Registrar of Trade-marks* (1978), 40 CPR (2d) 25 (FCTD); *Atlantic Promotions Inc v Registrar of Trade-marks* (1984), 2 CPR (3d) 183 (FCTD)]. In other words, the trademark must not be considered in isolation, but rather in its full context in conjunction with the goods [*Ontario Teachers' Pension Plan Board v Canada*, 2012 FCA 60]. In addition to considering the evidence submitted, the Registrar must apply common sense in making the determination about descriptiveness [*Neptune SA v Canada (Attorney General)* (2003), 2003 FCT 715 (CanLII), 29 CPR (4th) 497 (FCTD)].

[33] To be “clearly” descriptive, the meaning of the Mark has to be “easy to understand, self-evident or plain” [*Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34]. To be “deceptively” misdescriptive, the Mark must mislead the public as to the character or quality of its associated goods [*Atlantic Promotions Inc, supra*]. In any case, the descriptive character of the Mark must go to the material composition of the goods or refer to an obvious intrinsic quality of the goods, such as a feature, trait or characteristic belonging to the product in itself [*ITV Technologies Inc v WIC Television Ltd*, [2003 FC 1056](#); *Provenzano v Registrar of Trade-marks* (1977), 37 CPR (2d) 189 (FCTD), *aff'd* (1978) 40 CPR (2d) 288 (FCA)].

[34] A trademark is deceptively misdescriptive of the place of origin of its associated goods if the trademark refers to a geographic name and the

goods do not originate from the location of the geographic name, and the average consumer would be misled into the belief that the associated goods had their origin in the location of the geographic name [*MC Imports Inc v AFOD Ltd*, 2016 FCA 60].

[35] The purpose of the prohibition against the registration of deceptively misdescriptive trademarks is to prevent the public from being misled [*Atlantic Promotions Inc, supra*; and *Provenzano v Canada (Registrar of Trademarks)*, 1977 CarswellNat 676 (FCTD)].

[36] If part of a trademark is objectionable, the question arises whether the trademark as a whole can still be registered. The answer depends on whether the objectionable part of the trademark forms a significant part of the whole and, therefore, causes it to remain deceptively misdescriptive. The proper test to be applied is whether the deceptively misdescriptive words “so dominate the applied for trade-mark as a whole such that ... the trade-mark would thereby be precluded from registration” [*Canadian Council of Professional Engineers v John Brooks Co*, [2004 FC 586](#), 35 CPR (4th) 507 at para [21](#) (FCTD); *Chocosuisse Union des Fabricants – Suisses de Chocolate v Hiram Walker & Sons Ltd* (1983), 77 CPR (2d) 246 (TMOB), citing *Lake Ontario Cement Ltd v Registrar of Trade-marks* (1976), 31 CPR (2d) 103 (FCTD)].

[37] Finally, an opponent’s initial evidential burden may in some cases be met by reference to the ordinary meaning of the words in an applicant’s trademark [*Flowers Canada/Fleurs Canada Inc v Maple Ridge Florist Ltd* (1998), 86 CPR (3d) 110 (TMOB)].

#### The Opponent’s position

[38] The Opponent argues that “PORT” visually dominates the Mark, and that while this word has many meanings, its primary meaning in association

with wines relates to port wine, a fortified wine which originates from the Douro region of Portugal. Port is also a distinctive identifier of the quality, reputation, intensity, aroma, flavour and alcoholic content of this wine.

[39] The Opponent suggests that the -ILLO component of the Mark would be seen as a diminutive suffix. The Opponent also points out that port wines from the Douro region of Portugal benefit from a number of PORT- formative geographical indications, including PORTO, PORTWEIN, PORTVIN, PORTWIJN and OPORTO. It follows that consumers would naturally associate the PORTILLO trademark with port wine in view of the similarity in appearance and sound between these terms and/or assume that PORTILLO wine is a lesser port wine, or shares some but not all of the distinctive characteristics of port wine.

[40] The Applicant's listed Goods specifically exclude port wine, and the evidence confirms that the Applicant's wines do not include port, and do not originate from Portugal. Consequently, consumers would be surprised, misled and deceived by the Applicant's PORTILLO wine as it is neither a port or port-based wine, nor is it produced in Portugal.

#### The Applicant's position

[41] The Applicant's representations on this ground of opposition are limited to an assertion that it should be summarily dismissed as it is completely unsupported by evidence, and that the Opponent has failed to satisfy its initial evidential burden.

#### Analysis - The Opponent meets its evidential burden and the Applicant fails to discharge its legal onus

[42] Based on the Opponent's evidence discussed below, I am satisfied that at a minimum, the Opponent has submitted sufficient evidence to meet its

initial evidential burden and at least put into issue whether the Mark contravenes section 12(1)(b) of the Act.

*Preliminary comments – Opponent’s evidence*

[43] At the outset, and as noted by the Applicant in its representations, I acknowledge that there are shortcomings in the Opponent’s evidence, and I have weighed or disregarded such evidence accordingly. It is not necessary to discuss these shortcomings in great detail, and I will simply make the following comments. First, I have disregarded the printouts of the Opponent’s website (attached as exhibits RL-1 to RL-5 to the Lees affidavit), most notably those pages detailing the quantity of port sold to Canada, on the basis that they have not been provided by an employee of the Opponent with the requisite personal knowledge, but rather an employee of the agent of the Opponent. However, I do not consider the fact that employees of the agent for the Opponent (Ms. Lees and Ms. White) printed such third-party references as dictionary definitions, books, newspaper and website articles and the like, to affect the admissibility of this evidence as they would not necessarily be more objective or reliable if they had been provided by someone else.

[44] Second, I note that the Registrar can have regard to matters arising after a material date so long as they allow for inferences as to a situation existing as of said material date [*Speedo Knitting Mills Pty Ltd v Beaver Knitwear (1975) Ltd* (1985), CPR (3d) 176 (TMOB)]. Accordingly, for those materials adduced by the Opponent that postdate the Application filing date, to the extent that they support and are consistent with the other evidence on record regarding port wine and the Douro region, they have been accorded at least some weight [*Institut national de l’origine et de la qualité v Établissements Rivoire-Jacquemin, Société Anonyme*, 2021 TMOB 162 at para 20].

[45] Third, I have disregarded the printout from the 'Drizly' website on which the Applicant's PORTILLO Cabernet Sauvignon wine appears to be miscategorized as a "dessert and fortified wine"/ "port wine" (Lees affidavit, exhibit RL-23). The Opponent in its representations relies on this exhibit to support the position that marketplace deception has already occurred. It submits that "if the use of PORTILLO misled the largest online marketplace for alcohol in North America to believe erroneously that the associated good is a PORT wine and/or possesses some characteristic or quality of PORT wines, the average Canadian consumer would certainly also be misled into the belief that PORTILLO wines are PORT wines and/or had their origin in the location of the PORT geographic name in the Opposed PORTILLO Mark" (Opponent's written representations at paragraph 39). Leaving aside the hearsay and timing issues, I have given this evidence no weight since it does not necessarily follow that this single instance of mistake results in an inference as to how the average Canadian consumer would perceive the Mark.

*The Opponent meets its evidential burden*

[46] I will now turn to those portions of the evidence that assist the Opponent in meeting its evidential burden.

[47] Much of the Opponent's evidence is directed to establishing that the primary meaning of 'port' in relation to wine is as a type of fortified wine from Portugal. Through the Lees affidavit, the Opponent provides definitions for the words 'port' and 'porto' (Exhibit RL-11). While there are several meanings attributable to 'port', its primary meaning in relation to wines is as a fortified wine that comes from Portugal. The *Canadian Oxford Dictionary* (1998) defines port as follows:

Port [also port wine] a strong, sweet, dark red (occasionally brown or white) fortified wine of Portugal [shortened form of Oporto, city in Portugal from which port is shipped].

[48] Numerous references recognizing port as a type of wine from the Douro region of Portugal are also provided in extracts from reference books/articles and in articles published in newspapers including *The Globe and Mail*, *Toronto Star*, *National Post*, *Calgary Herald*, *Montreal Gazette*, *Vancouver Sun*, *Windsor Star* and *Ottawa Citizen*.

[49] The Opponent also includes references to port, in association with wine, in printouts from the LCBO and SAQ websites. In particular, printouts from the LCBO website feature a significant inventory of port, recipes that feature or include port, and general articles on wines of Portugal, including port (Lees affidavit, Exhibit RL-9). Also included are photographs from an Ottawa area LCBO store showing a dedicated section for port identified by overhead signage labelled 'PORT/PORTO'. The photographs also show shelf tags under bottles of port featuring the notation 'Portugal-Douro' (Lees affidavit, Exhibit RL-25).

[50] With respect to the printouts from the SAQ and LCBO websites, given the official nature of these entities as government enterprises, I am generally prepared to accept that they can be relied on both as proof of the existence of these websites and as proof of the truth of their contents [a similar approach was adopted by the Registrar in *Arterra Wines Canada, Division Quebec, Inc v Lidl Stiftung & Co, KG*, 2022 TMOB 199]. Further, even though these pages were printed after the material date and/or in the case of articles on these sites, appear to have a publication date that falls after the material date, I consider that the period of time between the filing date of the Application (May 30, 2018) and the date of printing and/or publication date is likely not so significant so as to have an effect on the manner of use of the term 'port' in relation with wines. Accordingly, I am

willing to accord at least some weight to these references. Regarding the printouts showing the inventory of port at the time of printing (in July 2022), I do not expect that the inventory of port would be unchanged as of the material date, but rather simply that a search for 'port' would yield results for port wine. Likewise, for the photographs showing the dedicated port section of the LCBO, I do not expect that the inventory of port shown in that area would have been the same as of the material date, but rather simply that the store would have a dedicated port section.

[51] Considering this evidence in its entirety, I am satisfied that it establishes that the average Canadian consumer would be familiar with and associate 'port' with a fortified wine from Portugal's Douro region.

[52] As for the component -ILLO, the Opponent includes definitions from English and French dictionaries of various words incorporating ILLO as a diminutive suffix, namely tomatillo (ground-cherry tomato), cigarillo (small cigar), pecadillo (a small fault), and novillo (a young bull) (Lees affidavit, Exhibit RL-28). The Opponent also points to the Applicant's evidence in which it describes the PORTILLO line of wines as "PORTILLO – young varieties" (Engelenburg affidavit, para 8).

[53] The Opponent submits that PORT is the visually dominant component of Mark, in particular noting that "it is the first component of the mark, makes up half the letters comprising PORTILLO and two thirds of its syllables and is the most striking feature of the Opposed Mark." (Opponent's representations at paragraph 28). On consideration of the Mark in its entirety and as a matter of first impression, I find that the presence of the word "port" in the Mark is obvious, and does dominate the Mark as a whole, particularly in the context of the Goods. In making this finding, I do not consider the number of letters or syllables attributable to the term PORT within the Mark to be determinative of its dominance.



[54] As for the element ILLO, although I am unsure if the average consumer would be aware of its potential as a diminutive suffix (though some might make the connection if familiar with any of the words tomatillo, cigarillo, pecadillo or novillo), it would nonetheless likely be perceived as a suffix.

[55] Because of this, the Opponent has met its evidential burden to support its allegations that the average consumer of wine looking at the trademark PORTILLO in its entirety in association with wine would, as a matter of first impression, think that the Goods are port or port-based, thus featuring the distinct character and quality of port wine, or that the Goods originate from a specific part of Portugal.

*The Applicant fails to meet its legal onus*

[56] As noted above, we do not have the benefit of substantive arguments from the Applicant refuting the specific submissions made by the Opponent under this ground. That being said, the Applicant's representations do include a broad statement that in the event it is determined that the Opponent has met its evidentiary burden, that it is the Applicant's position that it has filed evidence from which it may be concluded that the Mark is registrable (Applicant's representations at paragraph 41). However, in my view the Applicant's evidence is insufficient to meet its onus.

[57] The Applicant explains that PORTILLO is a dictionary word in Spanish meaning 'gateway', and that the high elevation crossings along the Andes Mountain range inspired its selection of the Mark. However, PORTILLO is not a known word in English or French such that the average consumer of the Goods, as a matter of first impression, would be readily aware of its meaning translated from Spanish, nor would the average consumer be expected to be aware of the inspiration underlying its selection.

[58] While the listed Goods in the Application expressly exclude 'port' and the evidence unequivocally confirms that the Applicant does not offer port and that its wines originate not from Portugal but from Argentina, this is not sufficient for the Applicant to meet its legal onus.

[59] The Applicant's evidence includes reference to its portfolio of trademarks comprised of or containing PORTILLO registered in more than 20 countries (Engelenburg affidavit at para 15, Exhibit A). The Applicant's rationale for including these registrations would appear to be to demonstrate the co-existence of its trademarks with the Opponent's various PORT geographical indications in other countries outside Canada. While A. Kelly Gill in *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed, § 5:43, indicates that the registration of a trademark in foreign jurisdictions may support or result in the inference that the trademark at issue is not clearly descriptive or deceptively misdescriptive in Canada, I do not find this to be the case here. First, the evidence includes several trademarks which include additional components (for example, FINCA EL PORTILLO). Second, several of the jurisdictions referenced appear to be Spanish speaking so the impact of the Spanish word PORTILLO on consumers may well be different. Third, there is no evidence that in the remaining jurisdictions the laws with respect to descriptiveness are similar to that of Canada [see, for example, *Sun-Maid Growers of California v Williams & Humbert Ltd* (1981), 54 CPR (2d) 41 (FCTD); and *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707, 41 CPR (4th) 8 (FCTD)].

[60] I will add that the labels on the bottles of the Applicant's Goods shown at paragraph 13 of the Engelenburg affidavit, which represents the labelling adopted and used commencing in 2009, includes wording clearly identifying the type of wine offered, such as 'Malbec', 'Sauvignon Blanc', etc. under the Mark. The bottom of the labels indicate that the wine is from "Valle de Uco,

Mendoza, Argentina". However, I have not factored this into my analysis as the issue in this case is whether the applied for trademark PORTILLO is deceptively misdescriptive and not whether the Applicant's labels are deceptively misdescriptive.

Conclusion on the 12(1)(b) ground

[61] Accordingly, the Applicant fails to meet its legal onus under this ground to show, on a balance of probabilities, that the Application does not contravene section 12(1)(b) of the Act. The section 12(1)(b) ground of opposition is therefore successful.

[62] As an aside, I note that section 12(3) of the Act provides that a trademark that is not registrable by reason of section 12(1)(b) is registrable if it is distinctive at the filing date of an application for its registration, having regard to all the circumstances of the case including the length of time during which it has been used. However, the Applicant has made no reference to this provision in its Application, counter statement or written representations, nor has the evidence been broken down by territory so that the resulting registration can be restricted to the defined territorial area in Canada in which, the trademark is shown to be distinctive (see section 12(3) and 32(2) of the Act).

***Section 12(1)(g) ground of opposition***

[63] Section 12(1) is silent as to the material date to determine whether a trademark is registrable under section 12(1)(g) of the Act. Both of the parties take the position that the material date is the date of the decision; I also understand this to be the material date. That being said, in this case, nothing turns on whether I consider the material date to be the date of the decision or the date of filing of the Application since the geographical

indications in question were both entered onto the list prior to the filing date of the Application and they remain on the list as of the date of my decision.

[64] Under section 12(1)(g) of the Act, a trademark is registrable if it is not in whole or in part a protected geographical indication identifying a wine, where the trademark is to be registered in association with a wine not originating in a territory indicated by the geographical indication. However, section 11.2(1) of the Act sets out the following exceptions:

**11.2 (1)** Section 11.14 and paragraph 12(1)(g) do not prevent the adoption, use or registration as a trademark in association with a wine of a protected geographical indication, or any translation of it in any language, by a person if they have, in good faith, before the later of January 1, 1996 and the day on which protection of the indication in the territory indicated by the indication begins,

**(a)** filed an application in accordance with section 30 for, or secured the registration of, the trademark in association with a wine; or

**(b)** acquired rights through use to the trademark in respect of a wine.

#### The Opponent's position

[65] The Opponent submits that the Mark is not registrable pursuant to section 12(1)(g) of the Act as PORTILLO is in part a protected geographical indication identifying a wine (PORT), and the Mark is in association with wine not originating in the territory indicated by the PORT geographical indication.

[66] With respect to the exceptions listed under section 11.2(1), the Opponent argues that section 11.2(1)(a) does not apply since the PORT geographical indication was entered on the list of protected geographical indications on December 2, 2015, which predates the filing date of the Application (May 30, 2018). The Opponent argues that the exception under section 11.2(1)(b) does not apply because although the PORT geographical indication was entered on the list of protected geographical indications in 2015, PORT has been recognized as a geographical indication in Canada

since at least 1955 under the *Trade Agreement Between Canada and Portugal*. Since the Applicant claims use of the Mark since at least as early as July 23, 2010, the Applicant cannot assert having acquired rights in Canada through the use of the Mark since before the day on which protection of the PORT indication began in 1955.

[67] In the alternative, the Opponent argues that the Applicant has not demonstrated having acquired rights through the use of the Mark in Canada prior to December 2, 2015.

The Applicant's position

[68] For its part, the Applicant submits that since the Mark has a "distinct accepted meaning and looks and sounds different from the protected geographical indications relied upon by the Opponent" (Applicant's representations at paragraph 50), it cannot be reasonably held that the Mark consists, in whole or in part, of a protected geographical indication identifying a wine, in this case the PORT geographical indication.

[69] The Applicant argues that in addition and/or in the alternative, the exception in 11.2(1)(b) of the Act applies as the Applicant has used PORTILLO (alone or in the form EL PORTILLO) in Canada since 2002 and has supported its assertion of use in Canada from a date which significantly predates December 2, 2015, the date on which the PORT geographical indication was entered on the list of protected geographical indications.

[70] Further, the Applicant emphasizes that it would be illogical and inconsistent for the Opponent to characterize the trademark PORTILLO as a mark that is "in whole or in part a protected geographic indication..." but not to regard EL PORTILLO and FINCA EL PORTILLO as falling within the scope of the same characterization. As previously noted, the Applicant registered the

trademark FINCA EL PORTILLO on June 9, 2003; this registration was expunged in January 2019 for failure to renew.

#### Analysis

[71] At the outset, I note the fact that the Applicant previously registered the trademark FINCA EL PORTILLO in Canada and encountered no section 12(1)(g) objection from the Opponent is not determinative of the registrability of the subject Application. In any event, it is not clear that an objection under section 12(1)(g) of the Act could have been raised as the application for FINCA EL PORTILLO issued to registration in 2003 and the PORT geographical indication was entered on the list of protected indications in December 2015.

[72] Returning to the Mark at issue, I agree with the Opponent that the Mark is contrary to section 12(1)(g) of the Act in that PORTILLO is “in part” the protected geographical indication PORT (identifying a wine), and is to be registered in association with wines not originating in the Douro region of Portugal. I do not consider the fact that PORTILLO is a conventional Spanish word to affect this finding. I also agree with the Opponent that the exception under section 11.2(1)(a) of the Act does not apply in this case given the timing of the filing of the Application, as it occurred after December 2, 2015, the date on which PORT was added to the list of protected geographical indications.

[73] With respect to section 11.2(1)(b) of the Act, I consider that in order to benefit from this exception, the Applicant must show that it had acquired rights through use to the Mark in association with the Goods as of December 2, 2015, and not since at least 1955 as suggested by the Opponent. I make this finding based on a plain reading of the section, which states that section 12(1)(g) does not prevent the registration as a trademark in association with a wine of a protected geographical indication by a person if they have, in

good faith, before the later of January 1, 1996 and the day on which protection of the indication in the territory indicated by the indications begins, acquired rights through use to the trademark in respect of wine.

[74] On consideration of the uncontradicted evidence of Mr. Engelenburg in its entirety, I find it to be sufficient to show use of the Mark in association with the Goods prior to December 2, 2015. The Engelenburg affidavit establishes that following a series of revisions, in 2009 the labelling for the Goods was updated to 'PORTILLO' by removing the reference to 'FINCA EL' [para 13]. Photos depicting various labels adopted and used commencing in 2009 to present are shown at paragraph 13 of the Engelenburg affidavit. I note that all of the wine bottles shown feature labels prominently displaying the Mark. The Opponent submits that Mr. Engelenburg does not specify whether any of these images have been taken in Canada or show wine bottles exported to Canada (Opponent's representations at paragraph 51). However, I find it reasonable to conclude that since the Applicant updated its wine labels to 'PORTILLO' in 2009, these labels would have subsequently been affixed to the Goods which would have been exported to Canada well before December 2, 2015. Certainly, there is nothing in the evidence to suggest otherwise.

[75] The Applicant also provides sales information for its PORTILLO wines in Canada prior to December 2, 2015. Specifically, it is provided in the form of annual shipment data (approximate number of cases and number of bottles) from 2010 to 2022. Sales for the period of 2010 to 2015 exceeded 6,233 cases/75,050 bottles [Engelenburg affidavit, para 22]. The annual breakdown for this period is shown below:

Year	Number of Cases (in excess of)	Number of Bottles (in excess of)
2010	630	7,500
2011	313	3,750

2012	400	5,200
2013	740	8,800
2014	1,750	21,000
2015	2,400	28,800

[76] The Opponent argues that the Applicant has not filed any evidence of use of the PORTILLO mark in Canada between 2010 and 2015 that complies with section 4(1) of the Act, noting that “there is no evidence of a commercial sale in the form of invoices, receipts, sales records, shipping documents, printouts of PORTILLO wine being sold on the website of liquor boards for those years, or similar documents from which transfer might be proved or inferred...” (Opponent’s representations at paragraph 51). While evidence such as invoices, receipts, and the like are certainly helpful in establishing trademark use under section 4(1) of the Act, they are not mandatory, and the records provided showing the number of cases/bottles of PORTILLO wine shipped by the Applicant to customers in Canada is sufficient to establish that there was a transfer of the Goods before December 2, 2015. The Engelenburg affidavit also confirms that the PORTILLO line of wines has been sold “for well more than 10 years” in Canada by the Applicant to various provincial liquor control boards.

#### Conclusion on the 12(1)(g) ground

[77] As I have found the Applicant’s evidence sufficient to show use of the Mark in association with the Goods prior to December 2, 2015 (the date on which PORT was added to the list of protected geographical indications), the exception under section 11.2(1)(b) of the Act applies. Accordingly, the section 12(1)(g) ground of opposition is rejected.

#### ***Section 38(2)(e) ground of opposition***

[78] The Opponent has pleaded that at the filing date of the Application in Canada, the Applicant was not using and did not propose to use the Mark in Canada in association with the goods specified in the Application, in



contravention of section 38(2)(e) of the Act. The evidence filed by the Opponent does not support this ground, nor does the evidence of the Applicant (as discussed above). Moreover, the Opponent has made no representations on this ground of opposition.

[79] Accordingly, for at least the reason that the Opponent has not met its initial evidential burden, the section 38(2)(e) ground of opposition is rejected.

#### **REMAINING GROUNDS OF OPPOSITION**

[80] As I have addressed three grounds of opposition and I have decided one of them in favour of the Opponent, I will not consider the remaining grounds.

#### **DISPOSITION**

[81] In view of the above, 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.

Jennifer Galeano  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

## Appearances and Agents of Record

**HEARING DATE:** No hearing held

### **AGENTS OF RECORD**

**For the Opponent:** Smart & Biggar LP

**For the Applicant:** Osler, Hoskin & Harcourt LLP