



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2010 TMOB 128**  
**Date of Decision: 2010-08-17**

**IN THE MATTER OF AN OPPOSITION by  
Groupe TBWA France SA to Application No.  
1175978 for the trade-mark TEQUILA filed by  
Tequila Communication & Marketing Inc.**

[1] On April 24, 2003, Tequila Communication & Marketing Inc. filed an application to register the trade-mark TEQUILA (the Mark) based on use of the applied for mark in Canada since September 1993. The application was advertised for opposition purposes on September 3, 2003.

[2] The application covers the following services: [Translation] “Advertising, marketing and public relations agency services”.

[3] A statement of opposition was filed on June 3, 2004 by Groupe TBWA France SA (the Opponent); the Applicant filed and served a counter statement on July 28, 2004.

[4] The Opponent filed the affidavits of Paul Fothergill and Velda Ruddock. The Applicant filed the affidavit of Bernard Berthiaume. The Opponent’s reply evidence consists of the affidavit of Kamal Singh Bobby Athwal. Mr. Fothergill and Mr. Berthiaume were both cross-examined; the respective transcripts and undertakings were filed by each party.

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[5] Only the Opponent filed a written argument, and an oral hearing was held at which both parties were represented.

[6] The grounds of Opposition may be summarized as follows:

- The application does not conform with the requirements of s. 30(b) of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) in that the application does not correctly state the date of first use of the Mark in Canada in association with the Applicant's services, and that the Applicant did not use the Mark in Canada in association with its services as of the claimed date of first use in the application.
- The application does not conform to the requirements of s. 30(i) of the Act because, at the filing date of the application, the Applicant could not have been satisfied that it was entitled to the use and registration of the Mark in view of the prior use and registration of the trademark TEQUILA (the Opponent's Mark) by the Opponent and the Opponent's predecessor in title in a number of countries of the Union, including France, the United Kingdom and the United States, which use has caused the Opponent's Mark to become known in Canada in association with the Opponent's services, namely: advertising, marketing and public relations agency services, at least due to advertising in printed publications circulated in Canada in the ordinary course of commerce amongst potential dealers and/or users of the Applicant's services or the Opponent's services. The Applicant could not have been satisfied that it was entitled to the use and registration of the Mark in view of the Applicant's prior knowledge of the use of the Opponent's Mark in a number of countries of the Union, including France, the United Kingdom and the United States, which use caused the Opponent's Mark to become known in Canada in association with the Opponent's services, and in view of the registrations of the Mark by the Opponent or the Opponent's predecessor in title.
- The Applicant is not the person entitled to registration pursuant to s. 16(1)(a) of the Act because, as of the date of first use of the Mark, it was confusing within the meaning of s. 6(5) of the Act with the Opponent's Mark, previously made known in Canada by the

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Opponent and the Opponent's predecessor in title in association with the Opponent's services.

- The Mark is not distinctive within the meaning of s. 2 of the Act because it does not actually distinguish, nor is it adapted to distinguish, the Applicant's services from the Opponent's services in view of prior use and advertising of its services in association with its mark TEQUILA by the Opponent and the Opponent's predecessor in title in a number of countries of the Union; Opponent's Mark has become well known in Canada by reason of the advertising and the offering, advertising and performance of the services in other countries of the Union.

#### *Onus and Material Dates*

[7] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited*, (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

[8] The material dates that apply to the grounds of opposition are as follows:

- s. 30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475; and *Tower Conference Management Co. v. Canadian Exhibition Management Inc.*, (1990) 28 C.P.R. (3d) 428 at 432 (T.M.O.B.)];
- s. 16(1) - the date of first use [see s. 16(1) of the Act and *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4<sup>th</sup>) 317 (F.C.T.D.)][*Metro-Goldwyn-Mayer*];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer*].

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*Summary of the Opponent's Evidence*

Mr. Fothergill's Affidavit, Transcript of Cross-Examination and Undertakings

[9] In his affidavit, Mr. Fothergill identifies himself as an "Officer with power Proxy" of the Opponent; he has worked in the marketing and advertising industry for 12 years. His affidavit explains that the Opponent forms part of an international network of advertising and marketing service agencies, which are subsidiaries to Omnicom Group Inc.

[10] Mr. Fothergill attests that the Opponent is the proprietor of the mark TEQUILA, which is used under licence by the "extensive international network of agencies in common ownership" with the Opponent. One of the Opponent's predecessors in title, namely BDDP, owned a company that began using the TEQUILA mark in Paris in 1985. He states that BDDP was, by the mid 1990s ranked number 15 in the world among advertising and marketing groups according to the international advertising publication *Advertising Age*.

[11] In 1998 the BDDP group was acquired by Omnicom Group Inc. (Omnicom) and ultimately became part of Omnicom's worldwide network of advertising and marketing services agencies known as the TBWA network; the advertising agencies within the TBWA network became branded as TBWA and the marketing agencies as TEQUILA.

[12] As noted previously, Mr. Fothergill provides that the Opponent's Mark is used under license by this network of agencies. At the time of cross-examination there were 48 such agencies operating in 33 countries, and it appears (from the cross-examination and answers to undertakings), that the majority are subsidiaries owned directly or indirectly by Omnicom; agencies in the smaller markets are affiliates only. It also appears that in the United States there is not a separate TEQUILA agency, but rather one agency that operates as TBWA Worldwide using the Opponent's Mark to indicate a division of TBWA.

[13] With respect to the licensing of the Opponent's Mark by the Opponent to agencies not majority owned by Omnicom (i.e. Russia, Estonia, and Guatemala, Nigeria and Uruguay), Mr. Fothergill provided in his answers to undertakings that a formal contract exists that provides a licence to use the name TEQUILA as well as setting out the rights and obligations of the parties, in

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particular control over how the Opponent's Mark is used and the quality and characteristics of the services with which it is used.

[14] However, such evidence is absent with respect to the entities identified as larger offices and majority owned by Omnicom, in particular, those operating in Belgium, Finland, France, Germany, Italy, Netherlands, Singapore, South Africa, Spain, United Kingdom, and the United States. No evidence was provided in the affidavit, nor during cross-examination or undertakings, to the effect that the Opponent exercised direct or indirect control over the character and quality of the services provided under the Opponent's Mark by those entities.

[15] With respect to the Opponent's place in the Omnicom network, no details regarding the relationship between the Opponent and the member agencies are provided apart from the statement that the Opponent is a member of Omnicom.

[16] Regarding the history of the Opponent's Mark, Mr. Fothergill states that the TEQUILA Paris agency grew quickly, was ranked as one of the top 3 agencies in France, and furthermore has frequently ranked in first place since 1998. He further attests that the TEQUILA Paris agency has worked with clients such as Michelin tires, French State Railways, SFR mobile phones, Total Petroleum, and international clients such as IBM, Microsoft, BMW, adidas, and Philips.

[17] In support of the alleged global notoriety of Opponent's Mark, the affiant provides a collection of articles and editorials relating to a few of the larger agencies (Exhibit PF 1). A review of the general content of the materials indicates that the business conducted under the name Tequila\London, Tequila\Paris and Tequila\Sidney appears to be interactive, direct marketing. The affiant does not specify whether these articles are reprints from print publications or downloaded from on-line journals; I note that during cross-examination it was indicated that although many of them appear to have been downloaded from the Internet, some publications were also available in print. Mr. Fothergill was not able to provide any circulation figures in Canada or elsewhere for the publications at issue; nor was he able to provide whether any had been accessed electronically by Canadians.

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[18] The bulk of the articles in evidence emanate from France and reference the work and winning advertising of the agency identified alternately as Tequila, Tequila\Paris, or L'agence Tequila. Some of the articles are undated, however it would appear that the earliest article is dated 1998 and the most recent - March 2004. The articles indicated as emanating from the United Kingdom, reference winning direct advertising campaigns by Tequila\London, and are dated from October 2003 through to October 2004. I note that the articles indicated as emanating from the United States do not include references to the Opponent's Mark, rather they refer to the TBWA network; the articles are dated in December 2004 and January 2005.

[19] The only publications in Exhibit PF 1 alleged to have some exposure in Canada are the French language marketing magazines *Stratégies* and *CB News*. Mr. Fothergill provides that he has been advised by the publishers that these magazines are available for subscription in Canada and that there are Canadian subscribers; however, no direct documentary support is provided for this information. Therefore, in the absence of facts establishing the reliability of this information and the necessity for introducing it by way of Mr. Fothergill's statements rather than by direct evidence, I am of the view that it constitutes hearsay evidence. I would also observe that the absence of specifics such as the dates, circulation data and volume of subscriptions would, in any event, also result in the affiant's statement not being afforded any weight in this proceeding.

[20] I would also observe with respect Exhibit PF 1, that none of the editorials or articles provided can be said to be actual advertising of services by the agencies, Omnicom, the Opponent or its predecessors in title.

[21] The affiant sets out the international development and growth of the other TEQUILA agencies, including: the creation of the offices in London in 1992; Singapore, Nigeria, Spain, South Africa, Poland, and Hong Kong from 1995-1998; Latin American in 2003, as well as in a number of other European, Asian, and African cities. I note that the affiant states that three agencies were opened in the U.S. in 2002; however, as indicated above, the articles that emanate from the U.S. refer to the TBWA network rather than an agency called TEQUILA.

[22] Mr. Fothergill provides that the TEQUILA network uses a range of marketing materials; Exhibit PF 2 is a collection of photographs illustrating marketing materials used. The images are of

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pens, pencils, stationary, mugs, bags and computer mouse, all marked with the Opponent's Mark; however, I note that the dates and manner of distribution of these items are not provided in the affidavit. During cross-examination it was clarified that these items were not sold to the public but made available at meetings with clients or prospective clients.

[23] The affiant describes that the TEQUILA network and the TEQUILA agencies provide services to prestigious and large international companies; in local markets TEQUILA agencies work with major clients including by way of example large supermarket chains, national tourist offices, national postal services, financial services. In all, Mr. Fothergill states that TEQUILA agencies work with more than 350 different clients.

[24] Mr. Fothergill asserts that many of the TEQUILA agencies have been acknowledged as Agency of the Year in their respective markets. Mr. Fothergill provides that recent examples include, TEQUILA Paris, "Creative Agency of the Year" in 2004; TEQUILA Australia "Interactive Agency of the Year" for two years running; and TEQUILA Poland "Below the Line Agency of the Year" for two consecutive years. Examples of recent awards are provided in Exhibit PF 12; however, no indication of any circulation of this information in Canada is provided.

[25] With respect to awareness of the Opponent's Mark in Canada, Mr. Fothergill states that the original BDDP group [see para. 10] was represented for a time as the Cossette group in Canada. The affiant suggests that, as a result, the management and staff of the Cossette group "would have been aware of their fellow BDDP group member, TEQUILA".

[26] Mr. Fothergill states that while there are no actual TEQUILA offices in Canada, the TEQUILA network has a number of high-profile global clients, who also conduct business in Canada. The affiant also asserts that opportunities exist for the TEQUILA network to work with clients of the TBWA advertising network that currently operates in Canada. He concludes that, as a result, existing international clients of TEQUILA, working with a TWBA agency in Canada would know of the TEQUILA services. According to Mr. Fothergill, the TWBA network has advertising agencies in Canada in Calgary, Montreal, Toronto and Vancouver. He provides that through these offices opportunities exist to develop relationships with existing clients of TEQUILA agencies (established to be "divisions" of TWBA see para. [12]) in the United States who are also present in

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Canada, and are aware of the TEQUILA brand from dealing with those sister agencies. He states that opportunities exist in Canada to serve global clients of the TBWA network who are aware of the TEQUILA mark as identifying services emanating from a TEQUILA office of the TWBA network.

[27] In general, I find Mr. Fothergill's statements relating to awareness in Canada of the Opponent's Mark as expressed in the foregoing paragraphs, to be inferences and conclusions for which the factual basis is not provided. While I appreciate Mr. Fothergill's knowledge of the Opponent's business, in the absence of evidence, such as, for example, details of "opportunities" that exist for overlapping client relationships between Canadian TWBA agencies and U.S. TEQUILA divisions, and specifically how such relationships would create awareness of the Opponent's Mark as a trade-mark, I am unable to accept these statements. Furthermore, as no time frame for these activities has been provided, it is unclear how they relate to the material dates at issue.

[28] The affiant provides that information regarding the TEQUILA network is accessible on a worldwide website - *www.tequila.com*. In addition a large number of the agencies have their own website with a link to the worldwide site; attached as Exhibit PF 2 is a selection of pages from this website. Mr. Fothergill further provides that he has been advised that the *tequila.com* website receives approximately 1000 hits per year from Canadians; however, I note that specific dates of operation of the website are not provided. Further, no information is provided indicating which company is responsible for this website, and no conclusions can be made as to whether knowledge of related website usage data is within the normal conduct of business of the Opponent. Under these circumstances I am inclined to consider this evidence hearsay and to afford it little weight. In any event, I would reiterate that there is no evidence indicating that the website existed at any of the material dates relevant in this proceeding. (I would also observe that during cross-examination it became clear that this website is no longer in existence.)

[29] Mr. Fothergill also explains that a bibliometric analysis (to measure international recognition through the number of articles mentioning a company or brand) was carried out for both the Opponent and the Applicant. The results are compiled in Exhibit PF 10 and are dated February 20, 2005. Details of this analysis are the subject of the affidavit of Velda Ruddock.



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Ms. Ruddock's Affidavit

[30] Ms. Ruddock identifies herself as the Director of Intelligence of TBWA\Intelligence, part of TBWA\North America, located in the TBWA\Chiat\Day, Los Angeles office, a sister organization of the Opponent. Ms. Ruddock has held this position for approximately eleven years, prior to which she was Director of Information Services at Chiat/Day, and before that Director of Information Services at Hill Holliday. Ms. Ruddock describes her educational background, "I have a Masters degree in Library Science (MLS) and a Bachelors Degree (BA) in Social Science". She has spoken at conferences and has been published, and most recently has contributed a chapter "Velda Ruddock: Visionary for Intelligence" in *Super Searchers on Madison Avenue* (CyberAge Books, 2003). It appears that details of Ms. Ruddock's professional background have been provided to support her expertise in coming to certain conclusions based on the research conducted by her.

[31] Ms. Ruddock conducted a bibliometric analysis in June 2003 of the Applicant - Tequila Communication and Marketing Inc. She provides that a bibliometric analysis is simply a count of the number of articles that mention a company or brand; the underlying theory being that the more a company or brand is mentioned in the press, the higher the awareness in the readers' minds. The bibliometric analysis was expanded in February 2005 to include a comparison of the brand awareness in Canada and around the world of the Mark as used by the Applicant and of the Opponent's Mark as used by TBWA\advertising agencies and Tequila\marketing service agencies.

[32] Ms. Ruddock provides her written report dated February 20, 2005, a spreadsheet of her search strings and the corresponding hit numbers, and headlines of selected searches, as Exhibits A, B, and C of her affidavit, respectively.

[33] The report includes a description of the purpose of the research in the Introduction and Background section, which, I note, is consistent with Mr. Fothergill's statements during cross-examination regarding his e-mail instructions to her. The purpose of the research is expressed in the report as follows:

We have been asked to find support that while the TBWA/Omnicom Tequila\ has a presence in the press and therefore awareness in the minds of consumers and the trade, Tequila Communications & Marketing does not - or at least has less of a presence.

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[34] In my view, the fact that Ms Ruddock is an employee of a company related to the Opponent brings the independence of the Ms. Ruddock's evidence into question [see *Cross Canada Auto Body Supply (Windsor) Limited et al. v. Hyundai Auto Canada* [2005] F.C.J. No. 1543, 43 C.P.R. (4th) 21 (F.C.T.D.); affirmed [2006] FCA 133 [*Cross Canada*]; followed in *Kocsis Transport Ltd. v. "K" Line America, Inc.* [2008] T.M.O.B. 37 at para. 6. It is noted that Ms. Ruddock is not an employee of counsel as was the case in *Cross Canada*, but rather a step removed as an employee of a company within the purview of the Opponent. Further, I accept that she has certain expertise in this type of research that could, in some circumstances, mitigate the lack of independence; however, in the present case, I have noted that the purpose of the research (as set out above) is not expressed in an impartial manner, but rather suggests that Ms. Ruddock was directed to find a certain result. Despite the fact that Mr. Fothergill states during cross-examination that his intention was to produce a fair and unbiased report, given the express written purpose of the research "to find support that TBWA/Omnicom Tequila\ has a presence in the press... and Tequila Communications does not", I find the independence of Ms. Ruddock's evidence questionable, and although summarized below, am inclined to afford it little weight in this proceeding.

[35] Ms. Ruddock explains that she searched the Factiva database, a worldwide database covering over 8,000 publications and newswires. Ms. Ruddock notes that it does not include all Canadian publications or all of the world's press, nor does it track every publication in the world; no specific information is provided regarding how many of these publications emanate from Canada or are circulated in Canada. Ms. Ruddock states that she does not believe these limitations would affect the analysis as the research interest was in a comparison of brand awareness and both parties would be impacted equally. I do not find this statement convincing however, as in my view, it is also possible, and perhaps more logical, to conclude that since the Opponent does not conduct business in Canada, the absence of some Canadian publications from the analysis would likely impact the Applicant more since it does conduct business in Canada (as will be set out below). This is so since there would be a lower expectation of references to the Opponent's Mark in publications emanating from Canada in the first place; their absence in the Factiva database would be expected. On the other hand, if the Applicant was conducting business in Canada, the fact that Factiva is not exhaustive of Canadian publications could have a higher impact on the search results *vis a vis* the Applicant.

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[36] Ms. Ruddock attests that searches relating to the Applicant, including a broad search for “Tequila Communication” and the Applicant’s principals, revealed only one article, a publication that refers to one of the Opponent’s agencies in New Zealand. In contrast it appears that the Opponent’s TEQUILA search reveals 718 articles mentioning TEQUILA and either TBWA or its parent company, Omnicom. Ms. Ruddock provides a breakdown of the results by geography and date. In terms of North America, she found 133 articles total (25 in 2003, 17 in 2004, and 7 in 2005 up to February 2005). No evidence regarding the circulation of these publications in Canada, or anywhere else, is provided.

*Summary of the Applicant’s Evidence*

[37] In his affidavit, Mr. Berthiaume identifies himself as Director, President, and Chief Officer of the Applicant. He explains that the Applicant is federally incorporated, originally under the corporate name “Le Groupe Hugron & Associés Inc.” [Le Groupe Hugron] and changed on September 17, 1993 to “Tequila Communication & Marketing Inc.” During cross-examination it was clarified that Tequila Communication and Marketing Inc. is a result of the merger of Le Groupe Hugron an advertising agency, and Banana Communication a firm that is mainly involved in public relations.

[38] Mr. Berthiaume provides the certificate of incorporation as Exhibit BB-2, and the appropriate documentation of amendment as Exhibit BB-3. Mr. Berthiaume explains the name change generated some media coverage and provides a news article in a publication called *Marketing* (Exhibit BB-4). The affiant states that this publication appears to be the most read in the trade in Canada, circulating more than 10,000 copies, with about 5 readers per copy; however, direct evidence supporting the circulation figures or establishing their reliability is absent, as is information as to the necessity of introducing these facts in this manner. As a result, I find Mr. Berthiaume’s statements regarding the news articles to be hearsay and therefore of little weight in this proceeding.

[39] Mr. Berthiaume attests that the Applicant’s sales were more than \$1,000,000 in 1993/1994 to 1995/1996, \$2,000,000 in 1996/1997 to 1998/1999, \$4,000,000 in 1999/2000, and \$6,000,000 for each subsequent year. He asserts that the Applicant’s reputation for the services they offer under the Mark is well known in their industry. He further provides that the Applicant has won

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gold prizes in competitions in Quebec for its advertising work and provides information referencing the relevant competitions and the Applicant's success as Exhibit BB-5.

[40] Mr. Berthiaume also states that the Applicant has become part of and shareholder in the worldwide network of marketing communications agencies, "Worldwide Partners, Inc.", hosting this organization's North American conference in October, 2006. The Applicant is registered under the following domains: "tequila.qc.ca" and "tequila.ca", accessible at least since October 2000 and April 2004, respectively. According to the affiant, the websites explain the services offered by the company, and some of its accomplishments.

[41] Mr. Berthiaume describes advertising, marketing, and public relations services separately as they relate to the Applicant. Exhibit BB-8 comprises representative invoices for advertising services rendered by the Applicant under the subject Mark, and where applicable, copies of the advertisements that resulted from the advertising services. The invoices are dated from September 23, 1993 through to 1997. Exhibit BB-9 comprises representative invoices for public relations services rendered by the Applicant under the subject Mark, and copies of the resulting press releases from these services. The bulk of the invoices are dated in 1993, (starting from September 23, 1993) with many also dated in 1996. Mr. Berthiaume explains that invoices are usually sent to clients after the services have been performed, such that services are executed several days to several weeks before the invoice date.

[42] Mr. Berthiaume sets out that the Applicant usually affixes the Mark on documents used to present proposals to clients and the proposed costs for such services. He states the Applicant often does not keep these documents beyond their utility for completion of the projects to which they relate. However, I note that Exhibit BB-12 provides additional examples of how the Mark has been used in Canada over the years by the Applicant on its invoices, business cards, and various other business documents.

[43] Mr. Berthiaume provides a sample ad (Exhibit BB-10) that appeared in a Calendar of MBA graduates from Sherbrooke University, in the summer of 1993, to support the assertion that the Applicant has used the Mark in advertising its services. The ad provides a brief resume of Mr.

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Berthiaume's qualifications and provides that he is one of the founders of a new company (Tequila Communications) that will be providing, advertising, public relations and marketing services.

[44] He also provides excerpts of annual Guides of marketing and communications agencies (Exhibit BB-11) that list the Applicant, as well as annual revenues past and projected for the top earning companies. Representative Guides from 1995 to 1999 are provided. Mr. Berthiaume states that this publication is relied on and read by many in the communications field.

[45] Finally, Mr. Berthiaume attests that he was previously approached by an agent of TBWA-Vancouver (in 2002) with an offer to buy the name "Tequila" from them for \$100,000, evidence of this communication is provided as Exhibit BB-13.

[46] The Opponent has highlighted the fact that during the cross-examination of Mr. Berthiaume it became apparent that in Canada there are separate professional associations for each of advertising services, marketing services and public relations services, namely the National Advertising Association, National Marketing Association and National Public Relations Association, with their own publications.

#### *Summary of the Opponent's Reply Evidence*

[47] In his affidavit, Mr. Athwal identifies himself as an articling student at the agents for the Opponent. He states that on November 8, 2007 he conducted Internet searches using specific search engines and the search strings "Tequila Marketing", "Tequila Advertising", "Tequila Public Relations" and "tequila d'agence de publicité". Mr. Athwal provides as Exhibits printouts of search results; however, as this research was conducted subsequent to any of the material dates relevant to this proceeding it can have no bearing on the determinations to be made.

#### *Entitlement s. 16(1)(a) of the Act*

[48] The Opponent alleges that the Applicant is not the person entitled to registration pursuant to s. 16(1)(a) of the Act because, as of the date of first use of the Mark (September 1993), it was confusing within the meaning of s. 6(5) of the Act with the Opponent's Mark, previously made

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known in Canada by the Opponent and the Opponent's predecessor in title in association with the Opponent's services, as provided for in s. 5 of the Act.

[49] The Opponent is obliged, as a matter of law, to meet the initial evidentiary burden of establishing that the Opponent's Mark was made known in Canada in association with the Opponent's services, namely: "advertising, marketing and public relations agency services" by the specific means set out in s. 5 of the *Trade-Marks* which states:

5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with wares or services, and

(a) the wares are distributed in association with it in Canada, or

(b) the wares or services are advertised in association with it in

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or

(ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services,

and it has become well known in Canada by reason of the distribution or advertising.

[50] In order to succeed the Opponent must establish that its trade-mark has been made known in Canada as a result of use in another country of the Union, other than Canada, such that it has become well known at the date of first use of the Mark. The Opponent must also establish in accordance with s. 16(5) that the Opponent's Mark had not been abandoned at the date of advertisement of the Mark.

[51] The question to be asked therefore is whether the evidence of the Opponent sufficiently demonstrates that, before September 1993, it had advertised its services in connection with the Opponent's Mark in publications with a Canadian circulation or in radio or television broadcasts received in Canada [see *Valle's Steak House v. Tessier* [1981] 1 F.C. 441 (F.C.T.D.)][*Valle's Steak House*].

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[52] Further, in order to fully comply with the requirements of s. 5, the Opponent's Mark must be found to be "sufficiently well known" in Canada [*Valle's Steak House* para 13]. As stated by Cattanach J, in *Robert C. Wian Enterprises, Inc. v. Mady*, (1965), 46 C.P.R. 147 (Ex .Ct.) and *Marineland Inc. v. Marine Wonderland* (1974) 16 C.P.R. (2d) 97 ( F.C.T.D.) and relied on in *Valle's Steak House*, in order to be considered "well known in Canada" it is not enough for a mark to be known merely within the boundaries of some locality, it must be known in "a substantial part' of the country. As stated in *Valle's Steak House*, "[c]learly the eastern Canadian provinces, and even Quebec by itself, since Quebec is in question here, constitute a sufficiently "substantial" part of the country to meet the requirements of section 5." I am thus of the view that the Opponent's evidence must establish that the Opponent's Mark was well known in a "substantial" part of the country.

[53] If the Opponent is successful in establishing that the Opponent's Mark was made known in Canada then it is the Applicant that bears the burden of establishing pursuant to s. 16(1) of the Act that on the balance of probabilities there is no reasonable likelihood of confusion between its Mark and the Opponent's Mark at the Applicant's claimed date of first use, namely September 1993. The only evidence of the Opponent that can arguably be considered in this ground of opposition is the Affidavit of Paul Fothergill, since the other affidavits clearly relate to evidence that post-dates September 1993.

[54] The Opponent argues the Opponent's Mark has become well known in Canada by reason of advertising as well as the offering, advertising and performance of the services in other countries of the Union. The Fothergill evidence establishes that the Opponent, through its predecessors in title, commenced use of its Mark in Paris in 1985 (TEQUILA\ Paris). The affidavit establishes that by the mid 1990s the owner of TEQUILA Paris was ranked number 15 in the world among advertising and marketing services groups as per the publication *Advertising Age*. There is no evidence of actual use in Canada at any time.

[55] I would observe that the articles in Mr. Fothergill's affidavit have not been established to have a Canadian circulation. Nor is it clear, as mentioned previously, to what extent these were circulated in electronic format or in print as required by s. 5. Further, while these articles arguably establish that TEQUILA agencies have provided services to some acclaim in other countries in

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association with the Opponent's Mark, strictly speaking these articles are not advertisements placed by the Opponent (or any other entity) for advertising its services in association with the Mark. A mark that has become well known by "word of mouth" or through newspaper articles or magazine articles (as opposed to advertising) is not a mark that has been "made known" in Canada within the meaning of s.5 [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.) at p.59 [*Motel 6*] and *Automobile Club de l'Ouest de France (ACO) v. Bridgestone/Firestone Inc.* (1994), 53 C.P.R. (3<sup>rd</sup>) 242 (T.M.O.B.) affirmed on other grounds (1995) 62 C.P.R. (3d) 292 (F.C.T.D.) at p.246] [*Automobile Club*].

[56] Similarly, with respect to the two publications that were stated to be available for membership to Canadians, it is apparent from the samples provided in Exhibit PF 1 that these do not contain advertisements of the Opponent's services in association with the Opponent's Mark. In any event, no information concerning the number of Canadian subscribers is provided such that a conclusion can be made that the Opponent's Mark became "well known" in a substantial part of the country. Furthermore, and most importantly, the publications, articles and editorials in Exhibit PF 1 do not predate the Applicant's date of first, use namely September 1993.

[57] Clearly, the network of agencies currently conducts substantial business around the world under the Mark TEQUILA; however, there is no evidence of actual advertising of any kind in association with the Opponent's Mark before September 1993. The Opponent submitted that clients in Canada that do business with the TWBA network would know of TEQUILA by reason of that relationship, however, even if the evidence supported such an inference, which it does not, I am not convinced that such knowledge would have come about due to advertising of services in accordance with s. 5 of the Act, nor that it would have existed at the material date.

[58] Accordingly, I find that the Opponent has failed to discharge its initial evidentiary burden of establishing that its Mark was made known in Canada within the meaning of s. 5 as of September 1993, as a result this ground of opposition is dismissed.

[59] Even if the evidence had established that the Mark had been made known in Canada by virtue of the advertisements of Omnicom's network of agencies, I would have doubts about whether or not it was the *Opponent's* Mark that had been made known, given the absence of



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evidence of indirect or direct control over the character or quality of the services within the meaning of s. 50 of the Act. This issue will be addressed with respect to the ground of non-distinctiveness discussed below.

*Ground of Opposition under s. 2 - Non-distinctiveness*

[60] The material date for considering the issue of non-distinctiveness of the subject Mark is the date of filing of the opposition, in this case June 3, 2004 [see *Metro-Goldwyn-Mayer*]. The Opponent needs to have shown that as of the filing of the opposition its Mark had become known sufficiently to negate the distinctiveness of the applied-for mark [see *Motel 6 and Re Andres Wines Ltd. and E. & J. Gallo Winery (1975)*, 25 C.P.R.(2d) 126 at 130 (F.C.A.)].

[61] As determined with respect to s. 16(1)(a), the evidence did not establish that the Opponent's Mark had been made known in Canada within the meaning of s. 5 of the Act as of September 1993. However, a consideration of whether the Opponent's Mark had become known sufficiently to negate the distinctiveness of the Mark is not restricted to the factors enumerated in s. 5 of the Act, nor is it assessed at the Applicant's claimed date of first use. In other words, the material date for consideration of such evidence in this case is some 11 years later, and all relevant evidence which tends to establish non-distinctiveness may be considered [*Automobile Club*].

[62] Although some TEQUILA agencies have been recognized internationally for winning awards for their services, there is no evidence that the notoriety of these agencies is present in Canada. Even if such notoriety existed in Canada, since no sample advertisements have been provided, but rather only press concerning the company and/or its ad campaigns, it is unclear if TEQUILA would be recognized as a trade-mark rather than only as a trade-name. In any event, no acceptable Canadian subscription and/or circulation figures have been provided for any of the articles and publications in evidence; nor is there acceptable website usage data in evidence.

[63] Additionally, I am unwilling, without additional evidence, to make the inference suggested by Mr. Fothergill that clients working with TWBA agencies in Canada would be aware of services provided by sister TEQUILA agencies elsewhere in the world. As well, I am reluctant, for the

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reasons set out previously with respect to the Ruddick affidavit, to reach the conclusion that any presence demonstrated globally translates into “brand awareness” in Canada.

[64] I would further observe that this ground of opposition as pleaded alleges lack of distinctiveness of the Mark in view of the prior use and advertising of services by the *Opponent* and the *Opponent’s* predecessor in title in a number of countries of the Union. Since there is no evidence that the Opponent’s Mark was being used under license at any time with the requisite control as required by s.50 of the Act by the major agencies in the network as set out above in para. [14], I find it arguable whether any use and advertising that had occurred (albeit by related companies) would accrue to the benefit of the Opponent.

[65] It is settled law that the mere fact that there is common control, or a wholly owned parent-subsidary relationship between the owner and the party using the mark, is not sufficient to establish that use of the mark is likewise controlled. [See *Flanders Filters, Inc v. Trade Mark Reflections* (2006), 48 C.P.R. (4th) 269 (F.C.T.D.); *Dynatech Automation Systems Inc. V. Dynatech Corp.* (1995) 64 C.P.R. (3d) 101 ( T.M.O.B.); *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995) 61 C.P.R. (3d) 245 (T.M.O.B.).] I am thus of the view that the evidence does not establish that TEQUILA used as a trade-mark by the agencies such as Tequila\France and Tequila\London would distinguish the services of the Opponent from those of others. In my view this is fatal to the Opponent’s claim that the Opponent’s Mark is sufficiently known in Canada to negate the distinctiveness of the Applicant’s Mark.

[66] Under the circumstances, I find that the Opponent has failed to meet its initial burden with respect to this ground of opposition, which is therefore dismissed.

#### *Grounds of Opposition under s.30 of the Act*

[67] The initial burden on the Opponent is light respecting the issue of non-conformance with s. 30(b) of the Act, as the facts regarding the Applicant’s first use are particularly within the knowledge of the applicant (*Tune Masters v. Mr. P’s Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.) at 89). Although the Opponent may rely on an Applicant’s evidence to meet its evidential burden in relation to his ground, the Opponent must show that the Applicant’s

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evidence is “clearly” inconsistent with the applicant’s claims as set forth in its application (*Ivey Lea Shirt Co. v. 1227624 Ontario Ltd.* (1999), 2 C.P.R. (4<sup>th</sup>) 562 (T.M.O.B.) at 565-566, affirmed 11 C.P.R. (4<sup>th</sup>) 489 (F.C.T.D.)).

[68] Once the initial burden is met by the Opponent, the Applicant must prove on a balance of probabilities that the particular ground of opposition should not prevent registration of its mark, and in this case, that the application complies with the requirements of s. 30 of the Act (see *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.)).

[69] With respect to use in association with services, s. 4(2) of the Act provides that “[a] trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.”

[70] The Opponent argued that advertising, public relations and marketing should not be considered together as one service. The Opponent relied on the Applicant’s evidence to support its argument, referring to the statements by Mr. Berthiaume on cross-examination concerning the separate organizations in Canada for advertising, marketing and public relations. I do not disagree with this argument, however, it seems clear from the evidence that as at September 1993, the Applicant had commenced use of its Mark in Canada on all three services. The invoices provided (Exhibit BB-8) indicate that services in advertising and publicity services were billed separately and had been offered and delivered at that date. Although no invoices were provided for marketing services at that date, I am satisfied that a reasonable reading of the evidence, including the advertisement announcing the creation of the Applicant company and the future offering of marketing services (Exhibit BB-10), and the fact that the merger into the current Applicant - Tequila Communications & Marketing Inc, included “marketing” in its name when it was created September 23, 1993, all serve to indicate that the Applicant was offering marketing services at September 23, 1993. This is further supported by Mr. Berthiaume in his cross-examination where he states that there were four people that started the firm in September 1993 - enough to “to take care of the marketing side” (Transcript of Cross-Examination of Bernard Berthiaume - page 141).

[71] Accordingly, I am satisfied that the evidence is not clearly inconsistent with the Applicant’s claimed date of first use of the Mark in Canada in association with all of its services.

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As the Opponent has not discharged its burden in this regard, this ground of opposition is dismissed.

[72] With respect to the ground of opposition based on s. 30(i) of the Act, even if the Applicant had been aware of the Opponent's Mark at the filing date this does not mean that the Applicant did not properly make the statement required by s 30(i). Where an applicant has provided the statement required by s. 30(i), 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 C.P.R. (2d) 152 (T.M.O.B.) at 155]. As the Opponent has not evidenced any bad faith on behalf of the Applicant, this ground of opposition is dismissed.

*Disposition*

[73] In view of all of the foregoing, having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject the opposition, pursuant to s. 38(8) of the Act.

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P.Heidi Sprung  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office