

Editor's Note: Corrigendum released on October 27, 2011. Original judgment has been corrected with text of corrigendum appended.



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

**Citation: 2011 TMOB 187**  
**Date of Decision: 2011-09-30**

**IN THE MATTER OF AN OPPOSITION  
by Distilleries Melville Limitée to  
application No. 1,065,645 for the trade-  
mark MOSKOVSKAYA in the name of  
Spirits International B.V.**

[1] On June 30, 2000, Spirits International N.V. filed an application to register the trade-mark MOSKOVSKAYA (the Mark) in association with the wares “beers; mineral and aerated waters and other non-alcoholic beverages; fruit juice beverages and fruit juices; syrups for beverages and other preparations for preparing beverages, namely products in the nature of alcoholic cocktail mixes; alcoholic beverages (beers not included), vodka; spirits” and the services “franchising; commercial business management” based on registration in the Benelux Office for IP on February 29, 2000 under No. 0662014 and use in Netherlands on the wares and services. The Applicant claimed a priority filing date of February 29, 2000 based on Benelux application No. 958555 in association with the same kind of wares and services.

[2] By way of letter dated May 28, 2007, Spirits International N.V. advised the Registrar of a change of name to Spirits International B.V. (the Applicant).

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of December 4, 2002.

[4] On December 24, 2002, Distilleries Melville Limitée (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- a. Pursuant to s. 38(2)(a) and 30 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the application does not comply with s. 30 of the Act in that (a) the Applicant did not use or duly register the Mark as claimed in the application; (b) alternatively or cumulatively the Applicant abandoned, in whole or in part, the Mark by discontinuous use; (c) the Applicant's statement that it was entitled to use the Mark is false in light of the allegations in the statement of opposition.
- b. Pursuant to s. 38(2)(c) and 16 of the Act, the Applicant is not the person entitled to registration because at the material time (a) the Mark was confusing with the mark MOSKOVA previously used or made known in Canada by the Opponent or by its licensees or its predecessors in title in association with products and services relating to alcoholic beverages contrary to s. 16(2)(a) of the Act; (b) the Mark was confusing with a Mark for which an application was previously filed in Canada, namely MOSKOVA PREMIUM DELUXE VODKA & Dessin (application No. 1,054,797) for alcoholic beverages namely vodka contrary to s. 16(2)(b) of the Act; (c) contrary to the introductory portion of s. 16 of the Act, the application for the Mark does not comply with s. 30 of the Act as it is not one which has been used or registered.
- c. Pursuant to s. 38(2)(d) and 2 of the Act, the Mark is not distinctive of the products and services of the Applicant nor can it be as it is not adapted to distinguish them from those of others, namely those of the Opponent (a) having regard to the marks of the Opponent as set out in the statement of opposition; (b) following the transfer of the Mark, there existed rights in two or more persons using the Mark and these rights were exercised by these persons concurrently contrary to s. 48(2) of the Act; (c) the Applicant permitted third parties to use the Mark in Canada and these third parties used the Mark contrary to s. 50 of the Act.

[5] The Applicant served and filed a counter statement in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof. The Applicant subsequently filed revised counter statements after written arguments had been filed. The Applicant was granted leave only to make clerical amendments to the counter statement. Leave was refused for the proposed substantive amendments which sought to challenge the distinctiveness of the Opponent's marks. The counter statement filed December 7, 2009 is the one currently of record.

[6] In support of its opposition, the Opponent filed two affidavits, as follows:

- Valerie Tremblay, sworn January 30, 2004 with Exhibit VT-1
- Roland A. Fortin, sworn February 2, 2004 with Exhibits RF-1 to RF-13

[7] Neither affiant was cross-examined.

[8] The Applicant filed affidavits of Dawn Brennan, sworn February 5, 2007 with Exhibits A – H and Beatrice Sfondylia. Ms. Sfondylia’s affidavit was substituted by the affidavits of Mikhail Tsyplakov No. 1, sworn May 21, 2007 and Mikhail Tsyplakov No. 2, sworn May 21, 2007 when Ms. Sfondylia could not be made available for cross-examination. The cross-examination of Mr. Tsyplakov on his affidavits, an order for which had been granted, was never carried out.

[9] The Applicant was granted leave on September 20, 2007 to file the following additional affidavits pursuant to r. 44 of the *Trade-marks Regulations* SOR/96-195 (the Regulations):

- a. Michael S. Mulvey, sworn June 14, 2007;
- b. Dawn Brennan No. 1, sworn June 11, 2007;
- c. Dawn Brennan No. 2, sworn June 14, 2007;
- d. Yoram “Jerry” Wind, sworn July 6, 2007, with Exhibits A – B;
- e. Cori Egan, sworn July 4, 2007;
- f. Alexandra Thompson Dobo, sworn June 14, 2007;
- g. Lisa Thompson Dobo, sworn June 14, 2007;
- h. Eric Demers, sworn June 22, 2007;
- i. Barry Bett, sworn June 14, 2007;
- j. Josihanne Lappel, sworn June 22, 2007;
- k. Norma Berman, sworn June 22, 2007;
- l. Tara Buckley, sworn June 22, 2007;
- m. Lucette Dion, sworn June 23, 2007;

- n. Rita Dion, sworn June 23, 2007;
- o. Patricia Joyce Thebaud, sworn June 18, 2007; and
- p. Barbara Swanson, sworn June 26, 2007.

[10] The Applicant was also granted leave on September 10, 2009 to file the affidavit of Faizel Jaffer, sworn July 15, 2009 with Exhibits A – C.

[11] The Opponent was granted an order for the cross-examination of Michael Mulvey and Dawn Brennan on their affidavits but the cross-examinations were never conducted.

[12] Both parties filed written arguments and were represented at an oral hearing.

[13] At the oral hearing, the agent for the Applicant referred to props he had made in the form of enlarged versions of two labels for the Opponent's products as found in Exhibit LH7 to the affidavit of Mr. Huchette (an affidavit filed in the co-pending opposition proceeding against the Opponent's application No. 1,203,487 and adduced as Exhibit A to the affidavit of Faizel Jaffer) as well as enlarged versions of the advertisement for the Opponent's products as found at Exhibit LH2 to the affidavit of Mr. Huchette.

[14] In the absence of any objection from the Opponent's agent, I permitted the Applicant to refer to these props during the hearing on the condition that he not refer to the colours of the photographs since the copies adduced as exhibits to the Huchette affidavit as filed with the Board were in black and white only.

#### Opponent's Evidence

##### *Affidavit of Valerie Tremblay*

[15] Ms. Tremblay is an employee of the Société des alcools du Québec (SAQ). Ms. Tremblay printed out SAQ product price lists for the years 1969-2003 and attaches these to her affidavit (Exhibit 1) in order to show the presence of the Opponent's MOSKOVA vodka.

##### *Affidavit Roland A. Fortin,*

[16] Mr. Fortin is the President of the Opponent. Mr. Fortin states that the Opponent was incorporated on January 7, 1963.

[17] Mr. Fortin states that since at least 1970 the Opponent has used the mark MOSKOVA in association with vodka. Mr. Fortin states that the mark MOSKOVA was inspired by the name of the Moskova River that crosses Moscow and gave the city its name. In support of this statement, Mr. Fortin attaches to his affidavit an excerpt from the *Dictionnaire Hachette Encyclopédique*, edition 2000, p. 1252 (Exhibit RF-2).

[18] Mr. Fortin states that the Opponent displays the mark MOSKOVA on its bottles of vodka that have been sold in Canada without interruption since at least 1970. Mr. Fortin attaches to his affidavit copies of magazine advertisements featuring the Opponent's vodka bottles (Exhibits RF-3 and RF-4).

[19] Mr. Fortin provides sales figures for the Opponent's vodka for the years 1998-2003 as follows:

<b>Year</b>	<b>Sales Figures</b>
1998-1999	245,000\$
1999-2000	230,000\$
2000-2001	366,000\$
2001-2002	328,000\$
2002-2003	343,000\$

[20] Mr. Fortin states that from 1970 to the date of swearing his affidavit, the Opponent has sold its vodka in Quebec through the SAQ, previously known as Régie des Alcools du Québec, as well as in stores in New Brunswick operated by the N.B. Liquor Board for about 15 years prior to the date of Mr. Fortin's affidavit.

[21] Mr. Fortin attaches to his affidavit purchase orders for vodka from these Quebec liquor boards from 1981 to 2003 which refer to the Opponent's product as MOSKOVA or to the corresponding product numbers (Exhibit RF-5).

[22] Mr. Fortin attaches to his affidavit copies of invoices for sales of the Opponent's vodka to the SAQ for the years 1987 to 2003 (Exhibit RF-6).

[23] Mr. Fortin attaches to his affidavit a monthly report published by the Association of Canadian Distillers which he states attests to total sales made by the Opponent for September 14, 2003 to October 11, 2003 (Exhibit RF-7).

[24] Mr. Fortin attaches to his affidavit a brochure distributed by the Opponent showing the different products sold by the Opponent as of December 8, 2003 (Exhibit RF-8). I note that page four of the brochure mentions the Opponent's MOSKOVA vodka.

[25] Mr. Fortin attaches to his affidavit a sample label which he states is identical to the labels used by the Opponent on its bottles of vodka sold in Canada under the MOSKOVA mark from 1970 to April 2000 (Exhibit RF-9) and a sample label identical to the labels used by the Opponent on bottles sold from the end of April 2000 to the date of the affidavit (Exhibit RF-10).

[26] Mr. Fortin states that on April 11, 2000, the Opponent filed an application for the trade-mark MOSKOVA & Design, shown below, subject to application No. 1,054,797.



[27] Mr. Fortin states that the Opponent regularly promotes and advertises its products sold under the MOSKOVA trade-mark through advertising. Mr. Fortin attaches to his affidavit sample advertisements from magazines from the years 1974, 1976, 1993-94 and 2003 (Exhibits RF-11, 12, 13).

[28] Mr. Fortin states that the Opponent has disposed of labels, invoices, etc. older than what was included in his affidavit.

## Applicant's Evidence

### *Affidavits of Mikhail Tsyplakov*

[29] Mr. Tsyplakov is the Manager of the Swiss Branch of the Applicant.

[30] Mr. Tsyplakov provides evidence of the Applicant's alleged use of the Mark.

[31] Mr. Tsyplakov's evidence will be discussed further below in the analysis of the grounds of opposition. I note, however, that I will not refer to or place any weight on any statements made by Mr. Tsyplakov which constitute opinions on issues that go to the merit of the opposition [see *British Drug Houses Ltd. v. Battle Pharmaceuticals* (1944), 4 C.P.R. 48 at 53 and *Les Marchands Deco Inc. v. Society Chimique Laurentide Inc.* (1984), 2 C.P.R. (3d) 25 (T.M.O.B.)].

### *Affidavit of Michael Mulvey*

[32] Dr. Mulvey is a Professor of Marketing at the University of Ottawa's Telfer School of Management.

[33] Dr. Mulvey has been put forward by the Applicant as an expert in marketing and provides his opinion on a selection of questions regarding consumer impressions of the various trade-marks at issue in the present proceeding.

### *Affidavits of Dawn Brennan*

[34] Ms. Brennan is an administrative assistant employed by the agent for the Applicant.

[35] Ms. Brennan attaches to her affidavit sworn June 14, 2007 certified copies of the following registrations and application owned by the Applicant:

- TMA208,808 for MOSKOVSKAYA RUSSIAN VODKA & Design
- TMA208,809 for STOLICHNAYA RUSSIAN VODKA & Design
- TMA612,614 for STOLICHNAYA

- TMA617,721 for STOLI
- TMA642,065 for KREMLYOVS KAYA
- application No. 380,016 for MOSKOVSKAYA RUSSIAN VODKA & Design

[36] Ms. Brennan attaches to her affidavit sworn February 5, 2007 certified copies of the following additional registrations owned by the Applicant:

- TMA283,218 for VODKA SIBIRSKAYA & DESIGN
- TMA538,598 for STOLICHNAYA RAZBERI & DESIGN
- TMA540,828 for STOLI OHRANJ & DESIGN
- TMA540,830 for STOLICHNAYA VANIL & DESIGN
- TMA549,434 for STOLICHNAYA STRASBERI & DESIGN
- TMA549,444 for STOLICHNAYA KAFYA & DESIGN
- TMA607,653 for STOLICHNAYA & Design

[37] Ms. Brennan attaches to her affidavit sworn February 5, 2007 a copy of an excerpt from Wikipedia regarding the “Liquor Control Board of Ontario” (Exhibit B); an extract from the LCBO’s website; the B.C. Liquor Stores website; the CNTraveller.com website; the San Francisco Magazine website; the Drink International Website (Exhibits C-G).

[38] Ms. Brennan, being an administrative assistant with the Applicant’s agents is not in a position to confirm the accuracy of the contents of the websites attached to her affidavit. Very little weight can be placed on Internet evidence of this nature [see *Candrug Health Solutions Inc. v. Thorkelson* (2007), 60 C.P.R. (4th) 35 (F.C.T.D.), reversed (2008), 64 C.P.R. (4th) 431 (F.C.A.)]. Further, I note that no reasons were given as to why a person having direct knowledge could not have provided the evidence [see *R. v. Khan* [1990] 2 S.C.R. 531]. For example, as was done by the Opponent in filing an affidavit of an employee of the SAQ, an employee of the LCBO or B.C. Liquor Stores could have been put forward to adduce the LCBO or B.C. Liquor Stores websites, respectively. As a result, I am not willing to rely on these websites as evidence of the truth of the contents of the statements made thereon [see *Candrug, supra*].

[39] Ms. Brennan also attaches to her affidavit sworn February 5, 2007 a copy of an affidavit of Stanislaw Brasiler (Exhibit H). This affidavit was filed in an opposition against the trade-



mark, SPY VALLEY, applied for by Johnson Estate Limited. In determining whether an affidavit filed in another proceeding may be admissible the following factors must be considered:

- a. whether the parties in the proceedings are the same;
- b. whether the trade-mark is the same;
- c. whether the affiant is available for cross-examination;
- d. whether the issues in both proceedings are the same [see *Jurak Holdings Ltd. v. Matol Biotech Laboratories Ltd.* (2006), 50 C.P.R. (4th) 337 (T.M.O.B.) citing *Springwall Sleep Products Ltd. v. Ther-A-Pedic Associates, Inc.* (1983), 79 C.P.R. (2d) 227 (T.M.O.B.)].

[40] In the present case, with respect to the Stanislaw Brasiler affidavit, none of these criteria have been satisfied and as a result I am not placing any weight on Exhibit H to the affidavit of Dawn Brennan dated February 5, 2007.

[41] Ms. Brennan attaches to her affidavit sworn June 11, 2007 a copy of application No. 1,054,797 as advertised on October 24, 2001 for the trade-mark MOSKOVA PREMIUM VODKA & Design (Exhibit A).

#### *Affidavit of Faizel Jaffer*

[42] Mr. Jaffer is an articling student for the Applicant's agent.

[43] Mr. Jaffer attaches to his affidavit a copy of the affidavit of Louis Huchette, sworn August 22, 2008 and filed by the Opponent in support of its application for the trade-mark MOSKOVA, subject to application No. 1,203,487, and opposed by the Applicant (Exhibit A). Mr. Jaffer also attaches to his affidavit a copy of the cross-examination transcript dated February 17, 2009, from the cross-examination of Louis Huchette on his affidavit sworn August 22, 2008 (Exhibit C).

[44] I am prepared to place some weight on the Huchette affidavit (Exhibit A), as the *Springwall* criteria, as set out above, have been satisfied.

[45] Mr. Jaffer also attaches to his affidavit a copy of correspondence from the Canadian Intellectual Property Office indicating that application No. 1,054,797 for the trade-mark

MOSKOVA PREMIUM DELUXE VODKA & Dessin is treated as abandoned/withdrawn (Exhibit B).

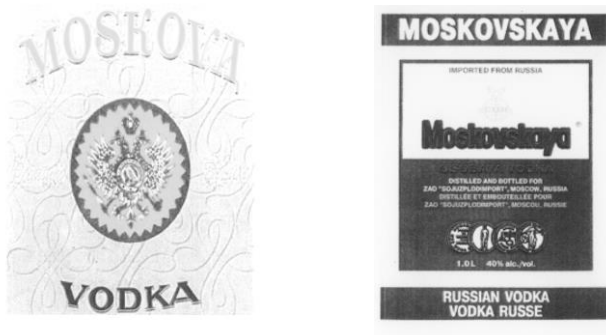
*Affidavit of Yoram “Jerry” Wind*

[46] Dr. Wind is the Lauder Professor and Professor of Marketing at Wharton School of the University of Pennsylvania.

[47] Dr. Wind was retained by the Applicant to prepare a survey addressing the likelihood of confusion between the parties’ marks. The survey of 252 consumers was conducted in five shopping malls in Quebec City, Montreal, Toronto, Edmonton and Vancouver between June 9 and 18, 2007. Montreal and Quebec City were chosen because both parties’ brands of vodka are sold there. The evidence demonstrates that the survey was meant to determine whether the Opponent’s MOSKOVA vodka is likely to lead to confusion with the Applicant’s MOSKOVSKAYA vodka.

[48] Survey participants were over the age of 19 and were involved in the decision to buy vodka in a store, bar or restaurant, and had either purchased vodka in a store, bar or restaurant in the past year, or intended to do so in the following three months.

[49] In the survey, consumers were shown a series of five vodka labels, including the MOSKOVA and MOSKOVSKAYA labels, shown below:



[50] Respondents were asked “Do you think any two or more of these brands of vodka are made by the same company?” If they answered in the affirmative, they were then asked to group

together the brands of vodka that they thought were made by the same company and to explain why they thought this.

[51] According to Dr. Wind's expert opinion, the survey results demonstrate that 33% of all consumers interviewed believed that MOSKOVA vodka is produced by, or is otherwise related to, the producer of MOSKOVSKAYA vodka, because of similarities in the names. In the province of Quebec alone, 29% of those interviewed held that belief. By contrast, 4% of respondents believed that either MOSKOVSKAYA or MOSKOVA vodkas were related to one of the other three vodka labels due to similarities in their names.

[52] I note that, having been conducted in 2007, the survey post-dates the material dates for all of the grounds of opposition.

#### *Remaining Affidavits*

[53] The remaining affidavits are from individuals who were involved in the conduct of the survey. Their affidavits each state that they completed the tasks assigned to them in accordance with the requirements demanded of them and with the industry standards.

#### Onus and Material Dates

[54] 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].

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

- s. 38(2)(a)/30(d) and (i) - the date the application was filed [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 at 475 (T.M.O.B.) and *Tower Conference Management Co. v. Canadian Exhibition Management Inc.* (1990), 28 C.P.R. (3d) 428 at 432 (T.M.O.B.)].
- s. 38(2)(c)/16(2)(a), (b) - the date the application was filed [see s. 16(2) of the Act].

- s. 38(2)(d)/2 – the date of filing the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

### Section 30 Grounds

[56] In its written argument, and at the oral hearing, the Applicant submitted that the grounds of opposition relating to non-compliance with s. 30 of the Act were insufficiently pleaded, in part due to a failure to specify the relevant subsections of s. 30. However, I note that in its counter statement, the Applicant responded to the first and third subparagraphs of the s. 30 ground of opposition in a manner that clearly suggested that the Applicant was aware that the first subparagraph claimed non-compliance with s. 30(d) and the third, non-compliance with s. 30(i) of the Act.

[57] I am satisfied that the first and third subparagraphs of the ground of opposition based on non-compliance with s. 30 of the Act have been sufficiently pleaded.

[58] The second subparagraph of the ground of opposition relating to non-compliance with s. 30 of the Act claims that the Applicant abandoned the Mark by discontinuous use. I am not satisfied that this forms a proper ground of opposition and I am dismissing it accordingly.

[59] With respect to the s. 30(d) ground of opposition, I note that in both its written argument and at the oral hearing, the Opponent made submissions alleging that the Applicant had failed to identify a predecessor in title in its application and that this should render the application non-compliant with s. 30(d) of the Act. The Applicant submitted, and I agree, that the s. 30(d) ground as pleaded does not encompass an allegation regarding the Applicant's failure to identify a predecessor in title, and as a result, I am not placing any weight on the Opponent's submissions on this issue.

### *Section 30(d) Ground of Opposition*

[60] As pointed out in the opposition decision *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 at 89 (T.M.O.B.) "it is difficult for an opponent to prove an allegation of non-use by an applicant, the relevant facts being readily available to the applicant". While these comments related to a ground of opposition based on s. 30(b) of the Act,

they are equally applicable to a ground of opposition based on s. 30(d) [see *105272 Canada Inc. v. Grands Moulins de Paris, Société Anonyme* (1990), 31 C.P.R. (3d) 79 (T.M.O.B.)]. To the extent that the Applicant has easier access to the facts, the burden of proof on the Opponent in regard to the ground of opposition based on the failure to respect s. 30(d) is less onerous [see *Tune Masters, supra*].

[61] The Applicant submitted that the Opponent, having not filed any evidence directly relating to the s. 30(d) ground of opposition, has failed to meet its evidential burden. However, I note that the Opponent can discharge its initial burden of proof in regard to s. 30 by relying not only on the evidence that it adduced but also on the evidence filed by the Applicant [see on this point *Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.); *Molson Canada v. Anheuser-Busch Inc.*, (2003), 29 C.P.R. (4th) 315 (F.C.T.D.), and *York Barbell Holdings Ltd. v. ICON Health and Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)]. In so doing, however, the Opponent is under an obligation to show that the Applicant's evidence is "clearly inconsistent" with the Applicant's claims as set forth in its application [see *Ivy Lea Shirt Co. v. 1227624 Ontario Ltd.* (1999), 2 C.P.R. (4th) 562 at 565-6 (T.M.O.B.), *aff'd* 11 C.P.R. (4th) 489 (F.C.T.D.)].

[62] The Opponent has pleaded that the Applicant did not use or duly register the Mark as claimed in the application. The Applicant filed a certified copy of the registration for the Benelux registration thereby satisfying its onus that it had registered the Mark in the Benelux office. Based on the foregoing, this portion of the ground of opposition is dismissed.

[63] With respect to the Opponent's allegation that the Applicant did not use the Mark as claimed in the application, I note that the Applicant did not adduce any evidence of use of the Mark in the Netherlands, as claimed in the application. Furthermore, the Applicant's evidence features a number of discrepancies which serve to call into question whether any of the alleged use was carried out by the Applicant or its predecessor(s).

[64] Firstly, the application for the Mark claims a number of wares and services. The evidence of use of the Mark, if any, covers only vodka. There is absolutely no reference whatsoever to any of the remaining wares or services. Given the voluminous evidence filed by the Applicant allegedly evidencing use of the Mark, I find that the omission of any reference whatsoever in the

evidence to the wares “beers; mineral and aerated waters and other non-alcoholic beverages; fruit juice beverages and fruit juices; syrups for beverages and other preparations for preparing beverages, namely products in the nature of alcoholic cocktail mixes; alcoholic beverages (beers not included), ...; spirits” and the services “franchising; commercial business management” is sufficient to enable the Opponent to meet its burden with respect to these wares and services. The onus then shifts to the Applicant to establish use of the Mark in association with these wares and services in the Netherlands as of the filing date. The Applicant has not succeeded in doing so. Based on the foregoing, this ground of opposition is successful with respect to these wares and services.

[65] With respect to the wares “vodka”, for which the Applicant has filed some evidence, I have the following comments.

[66] The Applicant claims use in the Netherlands by the Applicant. Relying on *Molson Cos. Ltd. v. Rola Weinbrennerei Und Likorfabrick GmbH* (1988), 23 C.P.R. (3d) 197 (T.M.O.B.), the Opponent submits that in order to satisfy s. 30(d) of the Act, the use of the Mark in the Netherlands must have been by the Applicant himself or a named predecessor in title, not a licensee. As this decision was decided before the abolishment of the registered user provisions, and the adoption of s. 50 of the Act, I am unsure as to whether it remains applicable. That said, I do not find this decision to be determinative in any event, for the reasons that follow.

[67] Throughout his affidavits, Mr. Tsyplakov refers to any sales or expenditures as being by “MY COMPANY” which he defines as “SPI Group and its affiliate companies” and “includes [the Applicant’s] acquired rights in 1999 from Closed Joint Stock Company Sojuzplodimport and its predecessors”.

[68] In his first affidavit, Mr. Tsplakov files what he states to be representative labels as used on the Applicant’s bottles of vodka (Exhibit B). However, as submitted by the Opponent, I note that these appear to be merely “mock ups” of the actual labels used. The Opponent submits, and I agree, that absent other supporting evidence, mock ups of this nature are not evidence of use. I also note that Mr. Tsyplakov does not make any sworn statements as to when these “labels” were used. Furthermore, I note that none of these label mock ups feature the Applicant’s name.

Rather, the labels each state that the vodka has been “distilled and bottled for” ZAO Sojuzplodimport or a “product of” S.P.I. Group.

[69] In his second affidavit, Mr. Tsyplakov files sample labels which he states are used on cardboard boxes for shipping the Applicant’s vodka “in Canada and around the world” (Exhibit M). I note that the labels do not feature the Applicant’s name, rather they each state that the vodka has been “distilled and bottled for” other entities such as:

- a. S.P.I. Group; and
- b. ZAO Sojuzplodimport.

[70] I note that neither of these entities are the Applicant or the Applicant’s alleged predecessor, Closed Joint Stock Company Sojuzplodimport (which I note was not named in the application for the Mark).

[71] The ambiguities regarding who is using the Mark carry throughout the evidence, including, as will be discussed further below, with respect to the Applicant’s evidence of alleged use of the Mark in Canada. I am satisfied that the ambiguities in the evidence in terms of who has used the Mark are sufficient to enable the Opponent to meet its burden under s. 30(d) of the Act with respect to vodka.

[72] The onus now shifts to the Applicant to establish that the Mark had in fact been used in the Netherlands by the Applicant prior to the filing date, namely, June 30, 2000.

[73] The Applicant has not, however, provided any evidence of use of the Mark in association with vodka by the Applicant in the Netherlands as claimed.

[74] Based on the foregoing, this ground of opposition is successful.

#### *Section 30(i) Ground of Opposition*

[75] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. As the application includes the required statement and there is no allegation

or evidence of bad faith or other exceptional circumstances, the s. 30(i) ground of opposition is dismissed.

Non-distinctiveness Grounds – s. 38(2)(d) of the Act

[76] The Opponent pleads three grounds of opposition based on non-distinctiveness.

[77] I will deal with the third ground first. Specifically, the Opponent claims that the Applicant permitted third parties to use the Mark in Canada in a manner not in compliance with s. 50 of the Act. I note that opponents are permitted to rely on third parties' use to prove non-distinctiveness, including use by licensees not operating in compliance with s. 50 of the Act [see *Loblaws Inc. v. Premium Label Foods Ltd.* (2000), 8 C.P.R. (4th) 558 (T.M.O.B.)].

[78] Mr. Tsyplakov files what he states to be representative invoices for sales of the Applicant's vodka in Canada for 1999-2006 (Exhibit D to Tsyplakov affidavit No. 1). I note that, as pointed out by the Opponent, the Applicant's name does not appear on any of the sample invoices rather, the invoices feature the following entities as suppliers/vendors/sellers of the subject vodka:

- Z/O Sojuzplodimport
- ZAO Sojuzplodimport
- SPI Spirits (Cyprus) Limited
- SPI Limited
- SPI Group

[79] Mr. Tsyplakov also attaches to his affidavit copies of packaging displaying the Mark which he states are representative of the use of the Mark "in Canada and around the world" "since at least as early as 1966" (Exhibit M to the second Tsyplakov affidavit). I note that the packaging all features statements that the vodka was "produced for" or "distilled and bottled for" either S.P.I. Group or ZAO Sojuzplodimport. None of the sample packaging features the Applicant's name.

[80] There is no evidence of a license between the Applicant and any of these entities. Mr. Tsyplakov attaches to his first affidavit a document which he states elucidates the



relationship between these entities (Exhibit F). Based on this document, it appears that SPI Group SA owns 83.5% of the issued capital of the Applicant. It also appears that SPI Group is the owner of the other entities. The Applicant submits that by virtue of this common ownership, any use by one of these other entities would accrue to the Applicant pursuant to s. 50 of the Act.

[81] The Opponent submits, and I agree, that evidence of common corporate ownership is not sufficient to satisfy the care and control requirement of s. 50 of the Act [see *Axa Assurances Inc. v. Charles Schwab & Co.* (2005), 49 C.P.R. (4th) 47 (T.M.O.B.) at 57-58; *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.)].

[82] I note that the Opponent also relied upon *Spirits International B.V. v. Nemiroff Intellectual Property Establishment* [2009] T.M.O.B. No. 129 in which Member Bradbury found that evidence similar in nature to that filed in the present case was not sufficient to satisfy s. 50 of the Act. This further supports the Opponent's position.

[83] As a result, the evidence is clear that, as of the material date of December 24, 2002, there were multiple entities using the Mark in Canada, none of which could be found to be doing so in compliance with s. 50 of the Act, such that the Mark could not be distinctive of the Applicant at that date.

[84] Based on the foregoing, the third non-distinctiveness ground is successful.

#### Remaining Grounds of Opposition

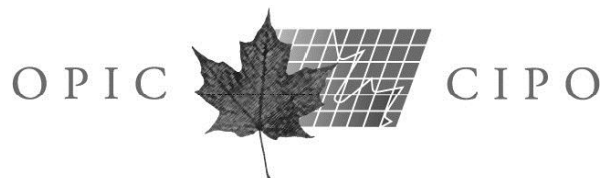
[85] As I have already refused the application under two grounds, I will not address the remaining grounds of opposition.

Disposition

[86] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application for the Mark pursuant to s. 38(8) of the Act.

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Andrea Flewelling  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office



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

**Citation: 2011 TMOB 187**  
**Date of Decision: 2011-10-27**

**IN THE MATTER OF AN OPPOSITION  
by Distilleries Melville Limitée to  
application No. 1,065,645 for the trade-  
mark MOSKOVSKAYA in the name of  
Spirits International B.V.**

[1] In order to correct a clerical error, the following paragraph replaces paragraph 72 of the original decision issued on September 30, 2011:

[72] The onus now shifts to the Applicant to establish that the Mark had in fact been used in the Netherlands by the Applicant prior to the filing date, namely, June 30, 2000.

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Andrea Flewelling  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office