



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

Citation: 2011 TMOB 186
Date of Decision: 2011-09-30

**IN THE MATTER OF AN OPPOSITION
by Spirits International B.V. to
application No. 1,203,487 for the trade-
mark MOSKOVA in the name of
Distilleries Melville Limitée**

[1] On January 16, 2004, Distilleries Melville Limitée (the Applicant) filed an application to register the trade-mark MOSKOVA (the Mark) in association with “vodka” based on use in Canada since at least as early as 1970.

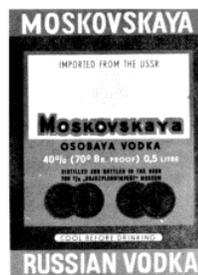
[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of September 22, 2004.

[3] On February 22, 2005, Spirits International N.V. filed a statement of opposition. The Opponent filed two amended statements of opposition for which leave was granted on September 7, 2007 and March 14, 2008, respectively. The statement of opposition dated February 14, 2008 (for which leave was granted March 14, 2008) included a change of name for the opponent to Spirits International B.V. (the Opponent) and is the statement of opposition that is currently of record. The grounds of opposition can be summarized as follows:

- Pursuant to s. 38(2)(a) and 30(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the application for the Mark does not comply with the requirements of s. 30(b) of the Act because it does not contain an accurate indication of the date from which the Applicant has used the Mark in Canada as required. Also, any use of the Mark has not been by, or otherwise inured to the benefit of the Applicant. Furthermore, the use of the Mark has not been continuous or without interruption since the date claimed. Lastly the mark used by the Applicant

differs significantly from the Mark as applied for such that it could not or would not be perceived as being the same mark.

- Pursuant to s. 38(2)(a) and 30(i) of the Act, the Applicant could not have been satisfied that it is entitled to use the Mark in Canada in association with the wares having regard to the allegations set forth in the remaining grounds of opposition.
- Contrary to s. 38(2)(d) and Rule 29(c) of the *Trade-marks Regulations* SOR/96-195 (the Regulations) and s. 2 and 4 of the Act, the Mark's specimen of use since the alleged date of first use differs significantly from the Mark as applied for such that it could not or would not be perceived to be for the same trade-mark.
- Pursuant to s. 38(2)(b) and 12(1)(b) of the Act, the Mark is deceptively misdescriptive of the place of origin of the wares contrary to s. 12(1)(b) since (a) Moskova is the name of a geographical location in Russia; (b) Russia is a country with an acquired world-wide reputation as a producer of quality vodka; (c) the first and immediate impression conveyed by the Mark when used in association with the Applicant's vodka is that the vodka emanates from Russia; and (d) whereas, the true geographical origin of the Applicant's vodka is the province of Quebec.
- Use of the Mark contravenes s. 52 and 74.01 of the *Competition Act*, R.S.C 1985 c. C-34 because it conveys a general misleading impression that the Applicant's vodka emanates from Russia. Such an impression would likely be material in influencing a consumer to buy the Applicant's vodka in light of Russia's acquired world-wide reputation for vodka.
- Pursuant to s. 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable due to confusion with the Opponent's registered trade-mark MOSKOVSKAYA RUSSIAN VODKA & Design (TMA208,808), shown below, registered August 15, 1975 on the basis of use in Canada since at least as early as June 6, 1966 for use in association with vodka (the Opponent's Registered Mark).



- Pursuant to s. 38(2)(c) and 16(1)(a) of the Act, the Applicant is not the person entitled to registration of the Mark because at the date of first use claimed in the application for the Mark, or at any other material date, should the s. 30(b)

ground succeed, the Mark was confusing with the Opponent's Registered Mark as well as the Opponent's word mark MOSKOVSKAYA both previously used in Canada by the Opponent since as early as 1966.

- Pursuant to s. 38(2)(c) and 16(1)(b) of the Act, the Applicant is not the person entitled to registration of the Mark because at the date of first use claimed or any other material date should the s. 30(b) ground succeed, the Mark was confusing with the Opponent's MOSKOVSKAYA trade-mark used in Canada since at least as early as 1966.
- Pursuant to s. 38(2)(c) and 16(1)(b) of the Act, should the s. 30(b) ground of succeed, at the filing date of January 16, 2004, or any other material date, the Mark was confusing with the Opponent's trade-mark MOSKOVSKAYA covered by application No. 1,065,645 applied for on June 30, 2000 (claiming priority from Benelux application No. 958555 filed February 29, 2000) and the Opponent's trade-mark MOSKOVSKAYA & Design covered by application No. 1,065,643 applied for on June 20, 2000 (claiming priority from Benelux application No. 963,143 filed April 25, 2000).
- Pursuant to s. 38(2)(d) and 2 of the Act, the Mark is not distinctive as defined in s. 2 of the Act because it will not distinguish as it is not adapted to distinguish the Wares from the wares and services of others and in particular from the wares in association with which the Opponent has previously registered, applied for and used its MOSKOVSKAYA trade-marks in Canada.

[4] 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.

[5] In support of its opposition, the Opponent filed a number of affidavits, as follows:

- Mikhail Tsyplakov, No. 1, sworn May 25, 2007 with Exhibits A – H;
- Mikhail Tsyplakov No. 2, sworn May 21, 2007 with Exhibits A – M;
- Michael Mulvey, No. 1, sworn June 14, 2007 with Exhibit A;
- Michael Mulvey, No. 2, sworn July 16, 2007;
- Dawn Brennan No. 1, sworn June 14, 2007 with Exhibits A – B;
- Dawn Brennan No. 2, sworn June 14, 2007 with Exhibit A;
- Yoram "Jerry" Wind, sworn July 6, 2007 with Exhibits A – B;
- Cori Egan, sworn July 4, 2007;

- Alexandra Thompson Dobo, sworn June 14, 2007;
- Lisa Thompson Dobo, sworn June 14, 2007;
- Eric Demers, sworn June 22, 2007;
- Barry Bett, sworn June 14, 2007;
- Josihanne Lappel, sworn June 22, 2007;
- Norma Berman, sworn June 22, 2007;
- Tara Buckley, sworn June 22, 2007;
- Lucette Dion, sworn June 23, 2007;
- Rita Dion, sworn June 23, 2007;
- Patricia Joyce Thebaud, sworn June 18, 2007; and
- Barbara Swanson, sworn June 26, 2007.

[6] The Applicant was granted an order for the cross-examination of Mikhail Tsyplakov on his affidavits dated May 21 and 25, 2007; Michael Mulvey on his affidavits dated June 14 and July 16, 2007 and Dawn Brennan on her affidavits dated June 14, 2007. The Applicant did not carry out these cross-examinations.

[7] The Opponent was also granted leave on April 12, 2011 to file certified copies of a Canadian Intellectual Property Office (CIPO) Examiner's Report dated January 24, 2011 issued against application No. 1,494,511 for the trade-mark MOSKOVSKAYA and CIPO Examiner's Report dated January 24, 2011 issued against application No. 1,506,241 for the trade-mark MOSKOVSKAYA & Design.

[8] Four days before the oral hearing, on April 15, 2011, the Opponent requested leave to file a certified copy of the affidavit of Warren Redman, sworn April 13, 1998 as filed in the opposition proceeding *Mantha & Associates v. Old Time Stove Co.* (1990), 30 C.P.R. (3d) 574 (T.M.O.B.). The leave request was not brought to my attention until after the hearing date. As a result, a decision on this leave request was not made at the oral hearing but rather will be included as a preliminary issue in my decision.

[9] The Applicant filed the following affidavits in support of its application:

- Louis Huchette, sworn August 22, 2008 with Exhibits 1 – 12;
- Jean-Louis Laplante, sworn August 22, 2008 with Exhibits JLL-1; and
- Lena Desilets, sworn August 25, 2008 with Exhibits LD-1.

[10] The Opponent was granted an order for the cross-examination of Louis Huchette and Jean-Louis Laplante on their affidavits dated August 22, 2008. The Opponent filed a transcript from the cross-examination of Louis Huchette, but did not carry out the cross-examination of Jean-Louis Laplante. The Opponent attempted to file responses to undertakings out of time but ultimately they were made of record through the granting of leave to the Applicant on July 31, 2009 to file additional evidence in the form of the affidavit of Anne-Marie Whittle, sworn July 10, 2009 with Exhibits A – C, pursuant to r. 44 of the Regulations. Exhibit A to the Whittle affidavit is a letter from the Applicant's agent to CIPO advising of the appointment of a new agent of record for the Applicant; Exhibit B is a letter prepared by the Applicant's agent providing responses to undertakings given in the cross-examination of Louis Huchette; and Exhibit C is a letter from CIPO to the Applicant returning the letter attached in Exhibit B.

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

[12] At the oral hearing the agent for the Opponent referred to props he had made in the form of enlarged versions of two labels for the Applicant's products as found in Exhibit LH7 to the affidavit of Mr. Huchette as well as enlarged versions of the advertisement for the Applicant's products as found at Exhibit LH2 to the affidavit of Mr. Huchette.

[13] In the absence of any objection from the Applicant's agent, I permitted the Opponent 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

Affidavits of Mikhail Tsyplakov

[14] Mr. Tsyplakov is the Manager of the Swiss Branch of the Opponent.

[15] Mr. Tsyplakov provides evidence of the Opponent's alleged use of its various claimed trade-marks.

[16] Mr. Tsyplakov's evidence will be discussed further below in the analysis of the s. 12(1)(d) ground 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. Societe Chimique Laurentide Inc.* (1984), 2 C.P.R. (3d) 25 (T.M.O.B.)].

Affidavits of Michael Mulvey

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

[18] Dr. Mulvey has been put forward by the Opponent 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.

[19] Dr. Mulvey's evidence will be discussed further below in the analysis of the confusion based grounds of opposition.

Affidavits of Dawn Brennan

[20] Ms. Brennan is an administrative assistant employed by the agent for the Opponent.

[21] Ms. Brennan attaches to her first affidavit certified copies of the following registrations and application owned by the Opponent:

- 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 KREMLYOVSKAYA
- application No. 380,016 for MOSKOVSKAYA RUSSIAN VODKA & Design

[22] Ms. Brennan also attaches to her first affidavit a certified copy of affidavits of Jean-Francois Fortin and Jean-Louis Laplante filed as evidence by the Applicant in an opposition by the Opponent to trade-mark application No. 1,054,797 for the trade-mark MOSKOVA PREMIUM DELUXE VODKA & Design.

[23] Ms. Brennan attaches to her second affidavit translated copies of the affidavits of Jean-Francois Fortin and Jean-Louis Laplante which were attached to her first affidavit.

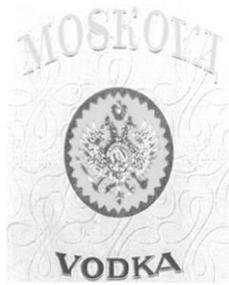
Affidavit of Yoram “Jerry” Wind

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

[25] Dr. Wind was retained by the Opponent 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 MOSKOVA vodka is likely to lead to confusion with the Opponent’s MOSKOVSKAYA vodka.

[26] 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.

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



[28] 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.

[29] 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.

[30] Dr. Wind’s affidavit will be discussed in further detail below in the analysis of the ground of opposition based on s. 12(1)(d) as I note that, having been conducted in 2007, the survey post-dates the material dates for the non-entitlement and non-distinctiveness grounds of opposition.

Remaining Affidavits

[31] 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.

Applicant’s Evidence

Affidavit and cross-examination of Louis Huchette

[32] Mr. Huchette is an Administrator and the Treasurer of the Applicant.

[33] Mr. Huchette provides evidence regarding the history of the Applicant's alleged use of the Mark in association with vodka.

[34] Mr. Huchette's affidavit and cross-examination will be discussed further below in the analysis of the confusion-based grounds of opposition.

Affidavit of Jean-Louis Laplante

[35] Mr. Laplante is a clerk employed by the Société des alcools du Québec (SAQ). Mr. Laplante obtained a copy of the pricing directories published by the Régie des Alcools du Québec and the SAQ from 1969 to 2007 in order to locate references to MOSKOVA vodka.

[36] Mr. Laplante's evidence will be discussed further below in the analysis of the confusion-based grounds of opposition.

Affidavit of Lena Desilets

[37] Ms. Desilets is a paralegal employed by the Applicant's former agent.

[38] Ms. Desilets attaches to her affidavit certified copies of the Mark and application No. 1,054,797 for the trade-mark MOSKOVA PREMIUM DELUXE VODKA & Design.

Onus and Material Dates

[39] 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].

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

- s. 38(2)(a)/30(b) 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)(b)/12(1)(b) – the date the application was filed [see *Fiesta Barbeques Ltd. v. General Housewares Corp.* (2003), 28 C.P.R. (4th) 60 (F.C.)].
- s. 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].
- s. 38(2)(c)/16(1)(a), (b) - the date the application was filed [see s. 16(1) 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.)].

Preliminary Issue – Certified Copy of Affidavit of Warren Redman

[41] I am not satisfied that the potential importance of the evidence (of which I see very little) would outweigh the substantial prejudice to the Applicant in the form of additional evidence being submitted at this very late date for the reasons that follow.

[42] Most importantly, the affidavit relates to a case entirely distinct from the present proceeding, namely a decision cited by the Applicant in its written argument and referred to by the Applicant’s agent at the oral hearing, namely *Mantha, supra*. The affidavit would presumably have been used by the Opponent to attempt to distinguish this case from the present case. I am not satisfied that the Opponent requires this affidavit to do so. Furthermore, the contents of the affidavit would be entirely hearsay and thus I would not be willing to rely upon them for the truth of the contents in any event.

[43] Based on the foregoing, I am not satisfied that it is in the interests of justice to grant the Opponent leave to file this certified copy and the Opponent’s request is hereby refused.

Summary Dismissal of Grounds of Opposition

[44] According to *Novopharm Limited v. AstraZeneca AB* (2002), 21 C.P.R. (4th) 289 (F.C.A.), (*Novopharm*), I must assess the sufficiency of the pleadings in association with the evidence.

[45] Having reviewed the evidence as a whole, I am dismissing the following ground of opposition on the basis that it is not a proper ground of opposition since it does not specify

relevant material facts to support an allegation of non-distinctiveness under s. 38(2)(d) of the Act:

Contrary to s. 38(2)(d) and Rule 29(c) of the Regulations and s. 2 and 4 of the Act, the Mark's specimen of use since the alleged date of first use differs significantly from the Mark as applied for such that it could not or would not be perceived to be for the same trade-mark.

[46] The second ground of opposition based on s. 16(1)(b) of the Act, is pleaded as follows:

The Opponent also bases its opposition on the grounds set out in subsection 38(2)(c) namely, that the Applicant is not the person entitled to registration of the trade-mark MOSKOVA claimed in Application No. 1,203,487 having in mind the provisions of subsection 16(1)(b). More particularly, at the date of first use claimed in Application No. 1,203,487, or any other material date should the 38(2)(a) and 30(b) ground of opposition succeed, the Applicant's trade-mark MOSKOVA as applied to the wares for which registration is sought on the basis of use in Canada since at least as early as 1970, was confusing with the Opponent's MOSKOVSKAYA trade-mark used in Canada since at least as early as 1966.

[47] This ground of opposition is insufficiently pleaded as the Opponent has failed to plead an application number relating to the claimed MOSKOVSKAYA trade-mark. Furthermore, the facts pleaded would appear to more likely support a ground of opposition based on s. 16(1)(a) of the Act, which has already been pleaded as a separate ground of opposition. On this basis, the second s. 16(1)(b) ground of opposition is summarily dismissed. The first s. 16(1)(b) ground of opposition will be discussed further below.

Section 30 Grounds

Section 30(i) Grounds of Opposition

[48] The Opponent has pleaded two grounds of opposition which can be interpreted as falling under non-compliance with s. 30(i) of the Act. The first one clearly pleading s. 30(i), the second being the following ground which I also consider to be pleading that the application is non-compliant with s. 30(i) of the Act:

Use of the Mark contravenes s. 52 and 74.01 of the *Competition Act*, R.S.C 1985 c. C-34 because it conveys a general misleading impression that the Applicant's vodka

emanates from Russia. Such an impression would likely be material in influencing a consumer to buy the Applicant's vodka in light of Russia's acquired world-wide reputation for vodka.

[49] With respect to the ground specifically pleading non-compliance with s. 30(i) of the Act, the Opponent alleges that the Applicant could not have been properly satisfied that it was entitled to use the trade-mark in Canada in association with the wares having regard to the remaining grounds of opposition.

[50] 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 first s. 30(i) ground of opposition is dismissed.

[51] With respect to the second s. 30(i) ground of opposition which is based on a contravention of sections of the *Competition Act*, the onus is on the Opponent to make out a *prima facie* case of violation of the *Competition Act* [see *E. Remy Martin & Co. S.A. v. Magnet Trading Corp (HK) Ltd.* (1988), 23 C.P.R. (3d) 242 (T.M.O.B.); *Co-operative Union of Canada v. Tele-Direct (Publications) Inc.* (1991), 38 C.P.R. (3d) 263 (T.M.O.B.); *Institut National des Appellations d'Origine v. Pepperidge Farm, Inc.* (1997), 84 C.P.R. (3d) 540 (T.M.O.B.)].

[52] In the present case, it was incumbent on the Opponent to adduce sufficient evidence from which it could reasonably be concluded that the Applicant's use of the Mark in association with vodka would be in contravention of s. 52 and 74.01 of the *Competition Act*. Sections 52 and 74.01 of the *Competition Act* read as follows:

52. (1) No person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, knowingly or recklessly make a representation to the public that is false or misleading in a material respect.

74.01 (1) A person engages in reviewable conduct who, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever,

(a) makes a representation to the public that is false or misleading in a material respect;

[53] This ground of opposition thus turns on the determination of whether the Applicant's use of the Mark with vodka constitutes a representation to the public that is "false or misleading in a material respect".

[54] The Opponent submits that "given the renown of Russia as a purveyor of vodka, the general impression created by the trade-mark MOSKOVA on a label of vodka which does not originate from Russia is false or misleading in a material respect".

[55] The Opponent has not filed any admissible evidence in support of its contention that Russia is well known as a purveyor of vodka. Furthermore, the Opponent has not provided any evidence in support of a finding that the average Canadian consumer of the Applicant's vodka would wrongfully assume that it originates from Russia.

[56] Based on the foregoing, I am not satisfied that the Opponent has provided sufficient evidence to meet its evidential burden. As a result, this ground of opposition is dismissed on the basis that the Opponent failed to meet its evidential burden.

Section 30(b) Ground of Opposition

[57] The Opponent may rely on the Applicant's evidence to meet its initial burden in relation to this ground [see *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.)]. 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.)].

[58] Under this ground of opposition, the Opponent submits that the Applicant has not used the Mark as applied for since the date claimed. Specifically, the Opponent submits that the Mark has always been part of a label with other words and design features, shown below (the Ideal Label):



[59] At the oral hearing, the Opponent used the language “joined at the hip” to describe the elements of the Ideal label, suggesting that the Mark was part of a larger whole, and that the Applicant never used the word MOSKOVA on its own. The Opponent bases this submission on the cross-examination of Mr. Huchette. As an exhibit to Mr. Huchette’s cross-examination, the Opponent adduced the affidavit of Roland A. Fortin, sworn February 2, 2004 filed by the Applicant in a co-pending opposition by the Applicant to the Opponent’s application No. 1,065,645 for the trade-mark MOSKOVSKAYA. The Opponent relies on the Roland A. Fortin affidavit to support its submissions under s. 30(b) of the Act (see Q351, p. 91 and exhibit P6 to the Huchette cross-examination which constitute Exhibits RF9 and RF10 to the affidavit of Roland A. Fortin). Specifically, the Opponent submits that Mr. Huchette and Mr. Fortin both confirmed that from 1970 to 2000 the Applicant only used the Mark as part of the Ideal Label. The Opponent submits that both Mr. Huchette and Mr. Fortin confirmed that in April 2000 the Applicant began using a different label, shown below, which the Opponent conceded would qualify as use of the Mark (the Moskova Label):



[60] The Opponent relies on *Coastal Culture Inc. v. Wood Wheeler Inc.* (2007), 57 C.P.R. (4th) 261 (F.C.) in support of this submission [see para 50 of *Coastal Culture*]. The Opponent submits that in *Coastal Culture*, the evidence indicated that the applicant's wares had always been marked with P.E.I. DIRT SHIRT or THE ORIGINAL P.E.I. DIRT SHIRT, whereas the mark as applied for was DIRT SHIRT. The Federal Court held that it must be determined whether the variations of the mark as applied for "were so minor as not to mislead a purchaser" [see *Coastal Culture* at para 54]. Ultimately, the Federal Court held that "...the evidence is clear that Wheeler never used the DIRT SHIRT mark in isolation..." and the s. 30(b) ground of opposition was found to be successful [see *Coastal Culture* at para 54].

[61] In response, the Applicant submitted that *Coastal Culture* could be distinguished from the present case. Specifically, the Applicant relied on the fact that, in *Coastal Culture*, the Federal Court held that "the word P.E.I. is written in the same font and size as the words DIRT SHIRT" [see *Coastal Culture*, at para 54]. Firstly, the Applicant submitted that it is exactly this type of analysis that should be conducted in the present case in order to determine whether the Mark has been used or not. The Applicant's submission being in contrast to the Opponent's suggestion that the Applicant is under an obligation to evidence use of the Mark "in isolation". Secondly, the Applicant submits that in the present case, the word MOSKOVA is sufficiently distinguished from the other elements (by way of different font, etc.) that use of the composite label would constitute use of the Mark. Specifically, the Applicant submits that the word MOSKOVA as displayed is in distinctively different font with embellishments to the letters K, V and A. The Applicant submits that on a fair reading of the Ideal Label, the differences in font and script are sufficient to distinguish the word MOSKOVA from the remaining word elements on the label. I agree.

[62] The Opponent also relied upon *Molson Breweries, a Partnership v. John Labatt Ltd.* (2000), 5 C.P.R. (4th) 180 (F.C.A.) in support of its submission that the Mark must appear in isolation in order to be used in accordance with s. 4(1) of the Act. In that case the mark at issue was EXPORT but the evidence showed that it was only displayed together with MOLSON such that all of the evidence of use showed the mark MOLSON EXPORT.

[63] The Applicant submits that this case can be equally distinguished from the present case as the words MOLSON and EXPORT were always displayed together in the same size font (see *Molson, supra* at para 57: “On the bottles, the words ‘Molson’ or ‘Molson’s’ and ‘EXPORT’ are of the same size and of the same appearance.”). This is in contrast to the present case where the Applicant submits that MOSKOVA is distinguished from the remaining words as it is featured in a different font and separated from the house mark MELVILLE by the name of the associated wares, namely VODKA. The Applicant also relies on *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.) to support the proposition that use of a word mark can be supported by the use of a composite mark featuring the word mark and other elements. I agree.

[64] The Applicant submits that a trade-mark will be found to be used within the meaning of the Act if it is used in such a way that it does not lose its identity and remains recognizable in spite of the differences between the form in which it was applied for and the form in which it is used. As set out in *Registrar of Trade Marks v. Compagnie Internationale Pour L’Informatique CII Honeywell Bull, Societe Anonyme et al* (1985), 4 C.P.R. (3d) 523 (F.C.A.) at 525:

The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin.

[65] The Applicant further submits that the jurisprudence is clear that if a mark, as used, is not substantially different from the mark of record and preserves the dominant features thereof, this will be considered use of the impugned trade-mark in accordance with the Act. The Applicant submits that such a determination is a legal determination and thus testimony from affiants will not be determinative of the issue [see *John Labatt Ltd. v. Molson Breweries, A Partnership* (1992), 46 C.P.R. (3d) (F.C.T.D.); *Promafil Canada Ltee v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59 (F.C.A.); *Toronto Dominion Bank v. Evergreen Savings Credit Union* [2004] TMOB No. 50 at para 11].

[66] I agree with the Applicant’s submissions. The proper course of action is to review the evidence with an aim to determining whether the Mark, as displayed on the Wares, is sufficiently

distinguished from the additional elements of the Ideal Label such that it is clear that the word MOSKOVA is operating as a trade-mark on its own. The proper course of action is not, as submitted by the Opponent, to search for evidence of use of the word mark on its own “in isolation”.

[67] The Applicant also submits that it is permissible to display more than one mark together on wares. Specifically, the Applicant relies on *Mantha, supra* in support of this submission. Specifically, I note that in *Mantha* the Hearing Officer stated the following, which is equally applicable to the present case:

As clearly indicated at paras. 5 and 6 of this affidavit, the mark BEAUMONT is used to designate a line of small stoves and fireplace fixtures which are further designated as Acadian, Laurentia, etc. ... In my respectful opinion it is rather the use of two different marks; as for example, General Motor’s PONTIAC PARISIENNE or Chrysler’s NEW YORKER FIFTH AVENUE. Similar use of several trade marks to designate a particular ware within a substantial line of similar products pervades the entire Canadian market.

[68] It is clear, based on a review of the evidence as a whole, that when looking at the Ideal Label, as used by the Applicant from 1970 until April 2000, it features two trade-marks, namely MELVILLE, a trade-mark and trade name for the Applicant’s distillery business, Distilleries Melville Limitée (i.e. what the Applicant calls an “umbrella mark” since it is used on all of the Applicant’s products, as evidenced in Exhibit LH2 to the affidavit of Mr. Huchette) and the Mark. Furthermore, I note that the two trade-marks are separated from each other by the word “vodka” which is the name of the wares found in the bottle upon which the label is placed.

[69] I am satisfied that, as submitted by the Applicant, the word MOSKOVA being featured in different font from the remaining word and design elements in the Ideal Label constitutes use of the Mark. Furthermore, I am satisfied that the Ideal Label features two trade-marks, one being an “umbrella mark” for all of the Applicant’s products, in other words a trade-mark and trade name used to identify the Applicant itself, and one being the Mark which identifies a sub-brand of the Applicant used to distinguish its vodka as apart from its other alcoholic beverages. Finally, I also find that the presence of the generic word “vodka”, which is the name of the wares, between these two trade-marks serves to further distinguish the word MOSKOVA.

[70] I am further satisfied that the evidence supports a finding that the Applicant has sold its MOSKOVA brand vodka in Canada without interruption since 1970 (Huchette affidavit, para 9, 12, Exhibits LH4 and LH5 and Laplante affidavit Exhibit JLL-1). In his affidavit, Mr. Laplante provides evidence that the Applicant's MOSKOVA vodka has been available for sale at the SAQ since as early as 1969 (Exhibit JLL-1). The Applicant's evidence is therefore not clearly inconsistent with the claimed date of first use for the Mark.

[71] Based on the foregoing, I find that the Opponent has failed to meet its burden for the ground of opposition based on s. 30(b) and as a result the ground of opposition is dismissed.

Non-entitlement Grounds

[72] With respect to the grounds of opposition based on s. 16(1) of the Act, the Opponent submits that, should the s. 30(b) ground be successful, the material date would become the filing date. While this is true (see *Everything for a Dollar Store (Canada) Inc. v. Dollar Plus Bargain Centre Ltd.* (1998), 86 C.P.R. (3d), 269 (T.M.O.B.)), in the present case, I have dismissed the s. 30(b) ground and as a result the material date for assessing the non-entitlement grounds of opposition remains the claimed date of first use.

Section 16(1)(a) of the Act

[73] The s. 16(1)(a) ground of opposition is based upon the previous use in Canada by the Opponent of the Opponent's Registered Mark and the word mark MOSKOVSKAYA (the Opponent's MOSKOVSKAYA Marks) since as early as 1966.

[74] Despite the burden of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's MOSKOVSKAYA Marks, the Opponent has the initial onus of proving that the trade-marks alleged in support of its ground of opposition based on s. 16(1)(a) of the Act were used in Canada prior to the date of first use claimed in the Applicant's application (as early as 1970) and had not been abandoned at the date of advertisement of the application for the Mark (September 22, 2004) [s. 16(5) of the Act].

[75] In order to satisfy its evidential burden, the Opponent must evidence use of the MOSKOVSKAYA Marks either by itself or by a licensee in compliance with s. 50 of the Act predating the Applicant's claimed date of first use of 1970. At the oral hearing, the Opponent submitted that the issue of who used the MOSKOVSKAYA Marks is irrelevant; rather the only issue to be determined is whether or not there is a likelihood of confusion between the parties' marks. I do not agree. As will be discussed in further detail in the following paragraphs, the Opponent's evidence is ambiguous in terms of who is actually using the MOSKOVSKAYA Marks and this is detrimental to the Opponent's position.

[76] Firstly, I note that 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 Opponent's] acquired rights in 1999 from Closed Joint Stock Company Sojuzplodimport and its predecessors".

[77] Mr. Tsyplakov makes the bald assertion that "MY COMPANY" has sold products bearing the Opponent's MOSKOVSKAYA Marks since 1966. However, he does not provide any documentation in support of this statement actually evidencing this claimed use of the marks in 1966.

[78] Mr. Tsyplakov files what he states to be representative labels as used on the Opponent's bottles of vodka. However, as submitted by the Applicant, I note that these appear to be merely "mock ups" of the actual labels used (Exhibit B to Tsyplakov affidavit No. 1). The Applicant submits, and I agree, that absent other supporting evidence, mock ups of this nature are not evidence of use. I note that Mr. Tsyplakov does not make any sworn statements as to when these "labels" were used by the Opponent. As will be discussed in further detail below, none of these label mock-ups feature the Opponent's name in any event.

[79] Mr. Tsyplakov provides a document which he states evidences MY COMPANY's advertising expenditures in relation to the MOSKOVSKAYA Marks (Exhibit E). I note that the document does not refer to the Opponent but rather to expenditures by "SPI". Furthermore, I note that the document only covers the years 2002-2006, and therefore significantly post-dates the material date of 1970.

[80] Mr. Tsyplakov provides sales figures for sales of vodka by MY COMPANY from 1999-2005. I note that, notwithstanding the issue of whether such sales would accrue to the Opponent (which will be discussed further below) these sales figures significantly post-date the material date of 1970 in any event. Mr. Tsyplakov also attaches to his affidavit a chart which he states sets out sales of vodka, in decalitres of product sold, for the Applicant from 1999-2006 (Exhibit C to Tsyplakov No. 1). Again, I note that these sales figures significantly post-date the material date of 1970.

[81] Mr. Tsyplakov also files a document put together by a third party evidencing sales figures for 1986-1999 (Exhibit D to Tsyplakov Affidavit No. 1). As this document was not prepared by Mr. Tsyplakov or any other representative for the Opponent, it constitutes hearsay and as a result I am not willing to rely on it as evidence of the truth of its contents. Even if I were to place some weight on it, I note that again these sales figures post-date the material date of 1970 in any event.

[82] Mr. Tsyplakov also files what he states to be representative invoices for sales of the Opponent's vodka for 1999-2006 (Exhibit D to Tsyplakov affidavit No. 1). I note that, as pointed out by the Applicant, the Opponent'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; and
- SPI Group.

[83] There is no evidence of a license between the Opponent 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 Opponent. It also appears that SPI Group is the owner of the other entities. The Opponent submits that by virtue of this common ownership, any use by one of these other entities would accrue to the Opponent pursuant to s. 50 of the Act.

[84] The Applicant 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.)].

[85] As a result, these invoices do not evidence use of the MOSKOVSKAYA Marks by the Opponent. Even if use could accrue to the Opponent, these invoices are dated significantly after the material date of 1970, in any event.

[86] I would also like to take this opportunity to point out that the evidence in the present opposition proceeding is similar to that referred to in the s. 45 decision regarding the Opponent's registration No. TMA208,808. To this end I reproduce the following excerpt from the s. 45 decision expunging registration No. TMA208,808 with which I concur and which applies directly to the present case, *BCF S.E.N.C.R.L. v. Spirits International B.V.* 2010 TMOB 122 (unreported) at para 12:

[12] When the evidence is considered in its entirety, I can only conclude that a group of companies designated as MY COMPANY, which includes no less than five distinct entities, exercised some form of control over the character or quality of the registered wares during the Relevant Period. While the Registrant might belong to or be affiliated with one or all of these entities, there is simply not sufficient evidence of control to allow me to conclude that the sales of the registered wares in association with the Mark by MY COMPANY or any of the affiliated companies would enure to the benefit of the Registrant.

[87] I find that the same is true of the Opponent's evidence in the present case, such that the Opponent has not succeeded in establishing evidence of use of the Opponent's MOSKOVSKAYA Marks by the Opponent in compliance with s. 4(1) of the Act.

[88] I note that the Applicant 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 Applicant's position.

[89] Based on the foregoing, it is clear that the Opponent has not provided evidence of use of the MOSKOVSKAYA Marks by the Opponent or its licensees, in accordance with s. 50 of the Act prior to the material date of 1970 and as such has not met its evidential burden.

[90] Based on the foregoing, I dismiss the s. 16(1)(a) non-entitlement ground of opposition on the basis that the Opponent has failed to meet its evidential burden.

Section 16(1)(b) of the Act

[91] With respect to this ground of opposition the Opponent submits based on its interpretation of the evidence, that the Applicant has only used the Mark since April 2000 and as a result the material date for this ground of opposition should be April 2000. As set out above, in light of the fact that the s. 30(b) ground of opposition was dismissed, the material date remains the claimed date of first use.

[92] The first s. 16(1)(b) non-entitlement ground is pleaded based on pending applications for the trade-marks MOSKOVSKAYA (application No. 1,065,645) and MOSKOVSKAYA & Design (application No. 1,065,643). I note that both of these applications were filed on June 30, 2000. The material date for assessing the ground of opposition based on s. 16(1)(b) is the claimed date of first use [see s. 16(1) of the Act]. The opponent's applications, having been filed in 2000, were not filed prior to the claimed date of first use of the Mark of 1970.

[93] For all of these reasons, the first s. 16(1)(b) ground of opposition is dismissed based on the failure of the Opponent to meet its evidential burden.

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

[94] Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the filing of the statement of opposition, one or more of its trade-marks had become known sufficiently to negate the distinctiveness of the Mark [see *Bojangles' International, LLC v. Bojangles Café Ltd.* (2004), 40 C.P.R. (4th) 553, affirmed (2006), 48 C.P.R. (4th) 427 (F.C.T.D.)].

[95] As discussed in my analysis of the s. 16(1)(a) ground of opposition, the Opponent has failed to evidence use of its MOSKOVSKAYA trade-marks by itself or its licensees in compliance with s. 50 of the Act. As a result, given that the ground of opposition, as pleaded is based on use of the MOSKOVSKAYA marks by the Opponent, the Opponent has failed to meet its evidential burden. As a result, I dismiss the non-distinctiveness ground of opposition.

Non-registrability Ground of Opposition – s. 12(1)(b) of the Act

[96] 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 wares. The Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade-marks* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.) at 27-8; *Atlantic Promotions Inc. v. Registrar of Trade-marks* (1984), 2 C.P.R. (3d) 183 (F.C.T.D.) at 186]. Finally, the purpose of the prohibition in s. 12(1)(b) of the Act is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [see *Canadian Parking Equipment Ltd. v. Canada (Registrar of Trade-marks)* (1990), 34 C.P.R. (3d) 154 (F.C.T.D.) at para. 15].

[97] The Opponent pleads that the Mark is deceptively misdescriptive of the place of origin of the Wares.

[98] The Opponent submits that the Mark was chosen by Mr. Melville and was inspired by the name of the Moskova River that traverses the city of Moscow, and gave the city its name (Exhibit P6 to cross-examination of Huchette; para 7 of Roland A. Fortin affidavit; *Dictionnaire Hachette Encyclopédique* ed. 2000 p. 1252 (Ex. 2 to affidavit of Roland A. Fortin)). The Opponent further submits that, as a result, the Mark is deceptively misdescriptive of the place of origin of the Applicant's vodka, as it suggests that the Applicant's vodka is Russian.

[99] I note that there is no evidence of record supporting a finding that the average Canadian would be aware that the word "Moskova" is the name of a river in Moscow, Russia.

[100] The Opponent submits, based on *Sociedad Agricola Santa Teresa Ltda. et. al. v. Vina Leyda Limitada* (2007), 63 C.P.R. (4th) 321 (F.C.T.D.), that the impression of the average consumer is irrelevant in determining whether a trade-mark is the place of origin of the wares. Rather, once a determination has been made that a mark is the name of a place of origin for the wares, the ground must be successful. I note that *Sociedad* did not deal with an allegation that the mark was deceptively misdescriptive of the place of origin of the associated wares.

[101] In response, the Applicant submits that the evidence shows that the word “Moskova” is the name of a river, not a place, city or region. Furthermore, the Applicant submits that there is no evidence of record supporting a finding that the Moskova River is known as a river that produces vodka. The Applicant submits that the name of a river cannot be deceptively misdescriptive of a type of vodka or the geographic origin thereof. I agree.

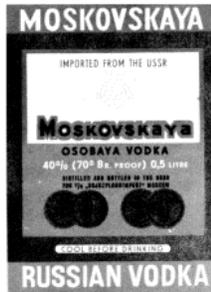
[102] The Opponent asks that I take judicial notice of the fact that Russia is known for its vodka. I refuse to take judicial notice of this fact. I note that there is no admissible evidence of record supporting a finding that Russia is known for its vodka nor is this something that would be widely known by the average Canadian. Even if I were to have taken judicial notice of this fact, it does not lead to the inexorable conclusion that the Moskova River could be a place of origin for vodka.

[103] Based on a review of both parties’ submissions and the evidence of record, I am not satisfied that the Mark is deceptively misdescriptive of the place of origin of the Wares. As a result, the Opponent has failed to meet its evidential burden and this ground of opposition is dismissed.

Non-registrability Ground of Opposition – s. 12(1)(d) of the Act

[104] The Opponent filed a certified copy of the registration for the Opponent’s Registered Mark, shown below. I have exercised the Registrar’s discretion to confirm the status of claimed registration. I note that, while the status of the registration remains “registered”, the registration was subject to a section 45 expungement proceeding [see *BCF S.E.N.C.R.L. v. Spirits International B.V.* 2010 TMOB 122 (unreported)]. The Registrar expunged the registration on August 11, 2010 and the Federal Court upheld the Registrar’s decision on June 30, 2011 [see

Spirits International B.V. v. BC S.E.N.C.R.L. and The Attorney General of Canada 2011 FC 805 (under appeal, Court File No. A-357-11)]. On September 28, 2011, the Opponent filed a Notice of Appeal to the Federal Court of Appeal, appealing the Federal Court's decision dated June 30, 2011. As a result, the registration remains registered.



[105] Since the Opponent has discharged its initial burden with respect to this ground of opposition, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Registered Mark.

[106] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[107] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.).]

s. 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[108] The evidence suggests that the Mark is the name of a river in Moscow; however, there is no evidence to suggest that the average Canadian would know this and thus Canadians are equally likely to think of it as a coined word.

[109] The Opponent entered a disclaimer of the right to the exclusive use of all reading matter in the Opponent's Registered Mark with the exception of the words MOSKOVSKAYA and OSOBAYA which are coined words.

[110] Based on the foregoing, I assess the inherent distinctiveness of the parties' marks as about the same.

[111] As the strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use, I will now turn to the extent to which the trade-marks have become known in Canada.

[112] As set out above in the analysis of the s. 30(b) ground of opposition, the Applicant has evidenced sales of its vodka in association with the Mark in Canada since 1970 as well as advertising for its MOSKOVA branded vodka in Canada since this date.

[113] The only evidence provided by the Opponent regarding the alleged use of the Opponent's Registered Mark is as follows:

- a. a bald statement by Mr. Tsyplakov in his first affidavit that based on registration No. TMA208,808 the Opponent has sold products bearing the Opponent's Registered Mark since 1966;
- b. representative labels (Exhibit B to the first Tsyplakov affidavit) – I note that, as discussed above in the s. 16(1)(a) ground of opposition, these are merely “mock ups” of labels, rather than the actual labels used. Secondly, I note that the labels do not display the Opponent's Registered Mark, as registered;
- c. sales figures for 1999-2006 (Exhibit C to the first Tsyplakov affidavit) – the evidence is not clear that these sales figures relate to products sold in association with the Opponent's Registered Mark as required by s. 4(1) of the Act;

- d. sales figures from 1986-1999 (Exhibit D to the first Tsyplakov affidavit) – these figures were prepared by a third party and as a result constitute inadmissible hearsay;
- e. sample invoices from 1999-2006 (Exhibit D to the first Tsyplakov affidavit) – none of the invoices feature the Opponent’s name as the vendor or supplier. The evidence is not clear that these invoices relate to products sold in association with the Opponent’s Registered Mark as required by s. 4(1) of the Act;
- f. a sworn statement by Mr. Tsyplakov in his second affidavit that the Opponent has shipped products to Canada in cardboard boxes since 1966 and that the Opponent’s Registered Mark has always been displayed on boxes (Exhibit M to second Tsyplakov affidavit) – I note that none of the sample packaging displays the Opponent’s Registered Mark, rather they display the word mark MOSKOVSKAYA.

[114] As a result, the Opponent has failed to establish that the Opponent’s Registered Mark has become known to any significant extent as designating the Opponent’s vodka.

s. 6(5)(b) – the length of time each has been in use

[115] As set out in the discussion of the ground of opposition based on s. 30(b) of the Act, I am satisfied that the Applicant has used the Mark since approximately 1970 in association with vodka.

[116] As discussed further in the analysis of the s. 6(5)(a) factor, the Opponent has not provided any valid evidence of use of the Opponent’s Registered Mark by the Opponent.

s. 6(5)(c) and (d) – the nature of the wares, trade and business

[117] It is the Applicant’s statement of wares as defined in its application versus the Opponent’s registered wares that govern my determination of this factor [see *Esprit International v. Alcohol Countermeasure Systems Corp.* (1997), 84 C.P.R. (3d) 89 (T.M.O.B.)].

[118] I find that the nature of the parties’ wares, trade and business are identical, with both parties offering vodka for sale.

s. 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[119] In most instances, the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2) 145, conf. 60 C.P.R. (2d) 70 (F.C.T.D.)]. This principle was recently upheld by the Supreme Court of Canada in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.).

[120] The Applicant submits that the Mark can be distinguished from the Opponent's Registered Mark for the following reasons:

- differences in appearance – the additional reading material in the Opponent's Registered Mark serves to distinguish it from the Mark. In particular, the Applicant submits that the differences in the elements MOSKOVA and MOSKOVSKAYA and OSOBAYA VODKA are sufficient to enable consumers to distinguish between the parties' marks;
- differences in sound – again the additional reading material in the Opponent's Registered Mark serves to create significant differences between the parties' marks when sounded
- differences in commercial impression – the Applicant submits that the Opponent's Registered Mark suggests a vodka sold under the brand name MOSKOVSKAYA OSOBAYA VODKA which is bottled and distilled in the USSR. The Applicant submits that the Mark has no such connotation.

[121] I agree with the Applicant's submissions. I find that the overall impression of the Opponent's Registered Mark is significantly different from the Mark such that the parties' marks share little similarities in sound, appearance or ideas suggested.

Additional Surrounding Circumstance – Expert and Survey Evidence

[122] The relevance and admissibility of expert evidence in trade-mark cases was recently discussed by the Supreme Court in *Masterpiece*. In that case, Justice Rothstein reminded us that in order to be admissible, expert evidence must meet the four criteria set out in *R. v. Mohan* [1994] 2 S.C.R. 9 as follows:

- relevance;
- necessity in assisting the trier of fact;
- absence of any exclusionary rule; and
- properly qualified expert.

[123] Regarding the requirement for necessity in assisting the trier of fact, the Supreme Court held that expert evidence should only be considered necessary if it is likely to be outside the expertise or knowledge of the decision maker.

[124] The Supreme Court in *Masterpiece* found that in trade-mark confusion cases, where the test for confusion is to be applied from the perspective of a casual consumer who is not particularly skilled or knowledgeable, expert testimony will generally not be necessary. The Supreme Court held that where goods are marketed to the general public for ordinary use, as they are in the present case, the determination of confusion can be made by decision makers by giving effect to their own opinions as to the likelihood of confusion.

[125] Furthermore, on the issue of necessity, the Applicant submitted that expert evidence will be necessary if it allows the trier of fact to (a) appreciate facts due to their technical nature; or (b) form a correct judgment on a matter if ordinary persons are unlikely to do so without assistance of persons with special knowledge.

[126] The expert evidence adduced in *Masterpiece* was similar to that adduced in the present case. In *Masterpiece*, the Supreme Court found that the expert evidence was not particularly helpful and did not meet the *Mohan* requirement of necessity. The Supreme Court held that where the average consumer of the wares is merely the casual consumer who is not expected to be particularly skilled or knowledgeable, and there is resemblance between the parties' marks, expert evidence which simply assesses these factors will generally not be necessary.

[127] In the present case, on the issue of relevance, I note that the Mulvey affidavit provides evidence regarding consumer perceptions of various labels from vodka bottles. The Applicant submitted that, since the Applicant has applied for a word mark, it was inappropriate for Dr. Mulvey to focus on label designs. I agree. A word mark application does not include any restrictions in terms of the way in which the mark may be used. The manner in which the

Applicant is currently or has previously used the word MOSKOVA in the context of labeling its wares is not particularly relevant in determining whether the parties' marks are confusing. Dr. Mulvey should have been assessing the Mark as applied for, namely the word MOSKOVA, as against the rights alleged by the Opponent.

[128] Based on the foregoing, including the analysis of the Supreme Court in *Masterpiece*, I refuse to place any weight on the contents of the Mulvey affidavits on the basis that they are not necessary or relevant to enable me to come to a conclusion on the likelihood of confusion between the parties' marks.

[129] With respect to the survey evidence adduced through the Wind affidavit, I note that the Supreme Court in *Masterpiece* also made findings regarding the helpfulness of survey evidence in trade-mark confusion cases.

[130] Specifically, the Supreme Court held that surveys can provide empirical evidence demonstrating consumer reactions in the marketplace, which would generally not be known by the decision maker. The Supreme Court held that in order to satisfy the *Mohan* requirement of relevance the survey must be both reliable and valid.

[131] The Applicant submitted that the survey attached to the Wind affidavit was not free from bias because no brands of vodka also manufactured by the Opponent and/or including a phonetic resemblance to MOSKOVSKAYA were selected as a positive control. Therefore the Applicant submits the survey cannot be interpreted as indicating which of the brands were known to consumers and/or who these marks are distinctive of. Rather, the Applicant submits that the survey only provides circumstantial evidence that the consumers surveyed believe that a relationship may exist between the parties' brands. As such, the Applicant submits that the survey is not relevant to determining the outcome of the opposition and it should be declared inadmissible and accorded little weight.

[132] Furthermore, the Applicant also criticized the survey for focusing on labels when what is at issue is whether the Mark is confusing with the Opponent's alleged trade-marks. The Applicant also raised concerns about the fact that the label used in the survey to identify the

Applicant's product was a modified version of the actual label used by the Applicant since the details regarding the Applicant (name, location of distillery) had been cropped off.

[133] While I appreciate the Opponent's submissions that the survey was designed using labels as opposed to words to provide a "real life" marketplace feel to the questions, I note again that the Mark as applied for is merely the word MOSKOVA. A determination of confusion as between the labels used in the survey is not necessarily applicable to the determination of a likelihood of confusion as between the Mark and the Opponent's marks.

[134] Based on the foregoing, including the analysis in *Masterpiece*, I am not convinced that the survey satisfies the *Mohan* requirement of relevance and as a result I am not willing to place any weight on the contents of the Wind affidavit.

Additional Surrounding Circumstance – No Evidence of Actual Confusion

[135] At the oral hearing, the Applicant submitted that should the Opponent's submissions regarding its alleged use of the MOSKOVSKAYA Marks since the late 1960s be believed, in light of the Applicant's evidence demonstrating sales of the Applicant's vodka since the late 1960s, the parties' marks have arguably coexisted in the Canadian marketplace for approximately 40 years.

[136] The Applicant submits that it is relevant that, despite this alleged coexistence, the Opponent has not filed any evidence suggesting that the Opponent has ever commenced an infringement lawsuit or even brought forward an allegation of actual confusion in the real marketplace against the Applicant.

[137] The Opponent filed evidence from a third party website where, according to Mr. Tsyplakov, "a website user specifically cautions consumers not to confuse" the parties' vodkas and suggested that this was evidence of a likelihood of confusion in the marketplace (Exhibit L to Tsyplakov No. 2). I note that this being a third party website, Mr. Tsyplakov is not in a position to confirm the accuracy of the contents of thereof. 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.)]. As a result, I am not willing to rely on this website as evidence of the truth of the contents of the statements made

thereon [see *Candrug, supra*]. Furthermore, as mentioned, I refuse to place any weight on Mr. Tsyplakov's opinion statements regarding his interpretation of this website [see *British Drug Houses, supra*]. As a result, I am satisfied that there is no evidence of record of actual confusion between the parties' marks.

[138] At the oral hearing, the Applicant submitted that, rather than focusing on the survey results (an artificial construct), the most important factor to consider is the alleged actual marketplace coexistence of these marks for at least 40 years without any evidence of actual confusion over this period.

[139] The Applicant submitted that the case law suggests that this is now recognized as a relevant factor. I refer to the following passage from *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.):

In that respect, evidence of actual confusion, though not necessary, would have been helpful (*ConAgra, Inc. v. McCain Foods Ltd.* (2001), 14 C.P.R. (4th) 288, 2001 FCT 963 (F.C.T.D.); *Panavision, Inc. v. Matsushita Electric Industrial Co.* (1992), 40 C.P.R. (3d) 486 (F.C.T.D.)), but it was not forthcoming. Décarý J.A. commented in *Christian Dior*, at para. 19:

While the relevant issue is "likelihood of confusion" and not "actual confusion", the lack of "actual confusion" is a factor which the courts have found of significance when determining the "likelihood of confusion". An adverse inference may be drawn when concurrent use on the evidence is extensive, yet no evidence of confusion has been given by the opponent.

I agree. The lack of any evidence of actual confusion (i.e. that prospective consumers are drawing the mistaken inference) is another of the "surrounding circumstances" to be thrown into the hopper: *Coca-Cola Co. v. Pepsi-Cola Co.*, [1940] S.C.R. 17 at 30.

[140] Notwithstanding the obvious deficiencies in the Opponent's evidence in terms of actual evidence of use of the Opponent's Registered Mark, or evidence of any of the Opponent's MOSKOVSKAYA Marks inuring to the Opponent, it is clear that MOSKOVSKAYA brand vodka has been available for sale in Canada since at least 1999. Given the length of time these vodkas have coexisted in the Canadian marketplace, I am satisfied that the lack of evidence of any instances of actual confusion forms a relevant surrounding circumstance supporting the Applicant's position.

Conclusion re s. 12(1)(d) of the Act

[141] Having considered all of the surrounding circumstances, in particular the extent to which the Mark has become known and the differences between the parties' marks in terms of sound, appearance and ideas suggested, I am satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Registered Mark.

[142] Having regard to the foregoing, I dismiss the ground of opposition based on s. 12(1)(d) of the Act.

Disposition

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

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