



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

Citation: 2013 TMOB 153
Date of Decision: 2013-09-16

**IN THE MATTER OF AN OPPOSITION by
Constellation Brands Inc., Constellation
Brands Québec, Inc., Constellation Brands
Canada, Inc., Sumac Ridge Estate Winery
Ltd., and Franciscan Vineyards Inc. to
application No. 1,219,008 for the trade-mark
DOMAINE PINNACLE & Design in the
name of Domaines Pinnacle Inc.**

[1] Constellation Brands Inc. (Constellation), Constellation Brands Québec, Inc. (Constellation Québec), Constellation Brands Canada, Inc. (Constellation Canada), Sumac Ridge Estate Winery Ltd. (Sumac), and Franciscan Vineyards Inc. (Franciscan) (hereinafter collectively referred to as the Opponents) oppose registration of the trade-mark DOMAINE PINNACLE & Design (shown below) (the Mark) that is the subject of application No. 1,219,008 by Domaines Pinnacle Inc. (the Applicant):



[2] The application was filed on June 3, 2004 in association with the following wares, as revised by the Applicant on July 13, 2005:

Wares (1): Apple-based alcoholic beverages.

Wares (2): Apple-based non-alcoholic products namely, sparkling and non sparkling juice, sparkling sweet cider, beverage, purees, compotes, jellies, jams, candies, pies, sauces, baby foods and cereals.

[3] The application is based on use of the Mark in Canada since at least as early as September 1, 2001 in association with the Wares (1) and proposed use in association with the Wares (2).

[4] The statement of opposition, brought under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), alleges numerous grounds of opposition revolving around the likelihood of confusion between the Mark and one or more of the Opponents' alleged trade-marks PINNACLE, PINNACLE & Design, PINNACLES, and PINNACLES RANCHES for wines. The statement of opposition further alleges technical grounds of opposition based on non-compliance of the application under section 30 of the Act.

[5] The determinative issue in this case is whether the Mark is confusing with Franciscan's trade-mark PINNACLES as used or registered.

[6] For the reasons explained below, I find confusion unlikely.

The Record

[7] The statement of opposition was filed on August 5, 2008 and was denied by the Applicant by counter statement.

[8] As its evidence, the Opponent filed the affidavits of:

- Ronald C. Fondiller, Senior Vice President and General Counsel and Secretary of Franciscan, Assistant Secretary of Constellation and Assistant Secretary of Vincor International Inc. (Vincor International), now Constellation Canada as explained below, sworn April 29, 2009;
- Andrew Howard, Senior Vice-President Marketing, English Canada for Vincor International, sworn April 30, 2009;

- Michel Langevin, Vice-President Marketing – SAQ for Vincor (Québec) Inc. (Vincor Québec), now Constellation Québec as explained below, sworn April 30, 2009;
- Amy Chao, a student at the law firm of the agents for the Opponent, sworn April 30, 2009; and
- Mary-Ann Hanley, a paralegal with the same law firm, sworn May 1, 2009.

[9] Vincor International and Vincor Québec changed their names to Constellation Canada and Constellation Québec respectively. These changes of names both occurred on June 1, 2012 and were recorded by the Registrar on September 17, 2012.

[10] As its evidence, the Applicant filed the affidavits of:

- Charles Crawford, Founder and President of the Applicant, sworn September 1, 2010;
- Philippe Brouillette, a lawyer and engineer at the law firm of the agents for the Applicant, sworn September 1, 2010;
- Stéphanie Brouillette, a trade-mark agent at the same law firm, also sworn September 1, 2010; and
- Simone Ndiaye, a paralegal with the same law firm, also sworn September 1, 2010.

[11] No cross-examinations were conducted. Both parties filed written arguments and were represented at a hearing.

The parties' respective burden or onus

[12] The Opponents have the initial evidentiary burden to establish the facts alleged to support each ground of opposition. Once that burden is met, the legal burden or onus that the Mark is registrable remains on the Applicant, on a balance of probabilities [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

[13] Applying these principles to the present case, some of the grounds of opposition can be summarily dismissed.

Grounds of opposition summarily dismissed

The section 30(a) ground of opposition

[14] The Opponents have pleaded that the application does not conform to the requirements of section 30(a) of the Act in that it does not contain a statement in ordinary commercial terms of the specific wares in association with which the Mark has been used or is proposed to be used.

[15] The ground of opposition, as pleaded, does not raise a proper ground of opposition in that the Opponents have not pleaded any material facts in respect thereof. Further, the Opponents made no representation with respect to this particular ground of opposition either in their written argument or at the hearing.

The section 30(i) ground of opposition

[16] The Opponents have pleaded that the application does not conform to the requirements of section 30(i) of the Act in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the applied-for wares having regard to the previous use of the trade-marks PINNACLE, PINNACLE & Design, PINNACLES and PINNACLES RANCHES by the Opponents in Canada in association with wines.

[17] Where an applicant has provided the statement required by section 30(i), a section 30(i) ground should only succeed in exceptional circumstances 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 CPR (2d) 152 (TMOB)]. There is no such evidence in the present case.

[18] The mere fact that the Applicant may have been aware of the existence of the Opponents' trade-marks at the time of filing the application does not preclude it from making the statement required by section 30(i) of the Act on the basis, among others, that it did not consider the Mark to be confusing with any of the Opponents' trade-marks.

The non-entitlement grounds of opposition based on sections 16(1)(b) and (3)(b) of the Act

[19] The Opponents have pleaded various grounds of opposition under section 16 of the Act. Two of these grounds can be summarily dismissed, namely:

The section 16(1)(b) ground of opposition

[20] The Opponents have pleaded that at the alleged date of first use of the Mark, it was confusing with Sumac's trade-marks PINNACLE and PINNACLE & Design in respect of which applications for registration had been previously filed in Canada, namely application Nos. 1,045,258 and 1,048,356 filed on February 4 and 25, 2000 respectively.

[21] Section 16(4) of the Act provides that the right of an applicant to secure registration of a registrable trade-mark is not affected by the previous filing of an application for registration of a confusing trade-mark by another person, *unless the application for registration of the confusing trade-mark was pending at the date of advertisement of the applicant's application*, which is in this case March 5, 2008.

[22] The Applicant filed, through the Ndiaye affidavit, a copy of the particulars pertaining to application Nos. 1,045,258 and 1,048,356 relied upon by the Opponents, showing that these applications were abandoned by Sumac in 2003. Having regard to the potential public interest in assessing a section 16(1)(b) ground, I have exercised the Registrar's discretion to check the register to confirm the status of these two applications [see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990) 32 CPR (3d) 525, at 529]. I have confirmed that they were abandoned. Accordingly, they cannot form the basis of a section 16(1)(b) ground of opposition because they were not pending as of March 5, 2008.

The section 16(3)(b) ground of opposition

[23] The Opponents have pleaded that at the date of filing of the Applicant's application, the Mark was confusing with Franciscan's registered trade-mark PINNACLES (TMA683,119) in respect of which an application for registration had been previously filed in Canada.

[24] Again, I have exercised the Registrar's discretion to check the register to confirm the existence of the application relied upon by the Opponents. As registration No. TMA683,119 issued on March 7, 2007, the underlying application relied upon by the Opponents was not pending at the date of advertisement of the Applicant's application for the Mark. Accordingly, this application cannot form the basis of a section 16(3)(b) ground of opposition.

Remaining grounds of opposition

[25] The remaining grounds of opposition all revolve around the likelihood of confusion between the Mark and one or more of the Opponents' alleged trade-marks for wines. More particularly, the Opponents have pleaded that:

- the Mark is not registrable under section 12(1)(d) of the Act because it is confusing with Franciscan's registered trade-mark PINNACLES (TMA683,119);
- the Applicant is not the person entitled to registration of the Mark under sections 16(1)(a) and (3)(a) because at the alleged date of first use of the Mark, or at the date of filing the application as the case may be, the Mark was confusing with the Opponents' trade-marks PINNACLE, PINNACLE & Design, PINNACLES, and PINNACLES RANCHES that had been previously used or made known in Canada by the Opponents; and
- the Mark is not distinctive and does not actually distinguish nor is it adapted to distinguish the Applicant's wares from the wares of the Opponents that have been sold in association with the Opponents' trade-marks PINNACLE, PINNACLE & Design, PINNACLES, and PINNACLES RANCHES.

[26] The test for confusion is the same for each of the non-registrability, non-entitlement and non-distinctiveness grounds of opposition. However, as will become apparent going through my analysis, the initial evidentiary burden on the Opponents varies for each of them. And so does the material date to assess each of these grounds.

[27] I will start my analysis with the Opponents' non-registrability ground of opposition.

The non-registrability ground of opposition

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

[29] The Opponents filed, through the Hanley affidavit, a certified copy of Franciscan's registration No. TMA683,119. I have exercised the Registrar's discretion to check the register to confirm the status of this registration. As it is extant, the Opponents' evidentiary burden has been satisfied. The Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and Franciscan's trade-mark PINNACLES registered for wine.

The test for confusion

[30] Section 6(2) of the Act provides that:

The 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.

[31] Thus, this section does not concern the confusion of the trade-marks themselves, but confusion of wares or services from one source as being from another source.

[32] The test for confusion is one of first impression and imperfect recollection. As noted by Mr. Justice Denault in *Pernod Ricard v Molson Breweries* (1992), 44 CPR (3d) 359 at 369:

The trade marks should be examined from the point of view of the average consumer having a general and not a precise recollection of the earlier mark. Consequently, the marks should not be dissected or subjected to a microscopic analysis with a view to assessing their similarities and differences. Rather, they should be looked at in their totality and assessed for their effect on the average consumer as a whole.

[33] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at section 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 the trade-marks have 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. This list is not exhaustive and all relevant factors are to be considered. Further, all factors are not necessarily attributed equal weight as the weight to be given to each depends on the circumstances [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

Consideration of the section 6(5) factors

a) the inherent distinctiveness of the trade-marks and the extent to which they have become known

[34] I assess the inherent distinctiveness of the trade-marks at issue as about the same and relatively weak.

[35] Indeed, both trade-marks are made up of the dictionary word “pinnacle” that is defined as the highest point, the culmination, a summit or a tall pointed formation, such as a mountain peak. Accordingly, the trade-marks, when considered in the context of the wares at issue, may evoke a *summum* and so they arguably have a laudatory connotation. Likewise, they may evoke a geographical connotation, especially the Mark owing to the preceding word DOMAINE.

[36] The Applicant goes further and submits that the fact *is* that both trade-marks have a geographical meaning: PINNACLES being the name of a geological formation in California that has been designated as a National Monument by the US Department of the Interior, while PINNACLE also designates a mountain in south western Québec.

[37] More particularly, the Applicant submits that Franciscan’s trade-mark designates a purely geographical origin given that Estancia Pinnacles vineyard is located on one side of the Pinnacles Monument in California (the Fondiller affidavit discussed below, establishes that Franciscan’s PINNACLES wine is sold under the Estancia Estate trade-name). In that regard, the Applicant relies on its responses and accompanying exhibits (including excerpts from the Opponents’ website at www.estanciaestates.com) to the examiner’s reports during the examination process of

the present application, a copy of which was filed by the Opponents themselves through the Hanley affidavit [see Exhibit “1” thereof]. Likewise, the Applicant’s evidence filed through the Crawford affidavit establishes that the Applicant’s orchard and cidery are located on the southern slopes of the Pinnacle Mountain in the Eastern Township of Québec [see Exhibit “CC-3” thereof].

[38] At the hearing, the Opponents submitted that the geographical significance argued by the Applicant is irrelevant in assessing the inherent distinctiveness of the parties’ trade-marks because there is no evidence that the average consumer of the wares at issue would be aware of these two specific geological formations. The Opponents submit that the trade-mark PINNACLES is arbitrary and original to the Opponents and that the Mark is distinctive only to the extent that it adopts the same common word of the Opponents’ distinctive trade-mark PINNACLES.

[39] Despite the Opponents’ submissions, the fact remains that the evidence of record establishes the geographical connotation of the word PINNACLE. I do not mean to say by this that the parties’ trade-marks are clearly descriptive of the place of origin of the wares at issue. Rather, I believe such evidence supports my previous finding as to the weak inherent distinctiveness of the parties’ marks. As stated in Fox (Kelly Gill & R. Scott Joliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed, loose-leaf, (Toronto: Carswell, 2003) at 4.78:

Words, names and other indicia used as trade-marks range from being inherently distinctive to being inherently non-distinctive and, at least prima facie, purely descriptive of functional.[...]

Inherently non-distinctive trade indicia are typically suggestive or descriptive of the business, or the quality or nature of the wares or services or their geographic origin, with which the indicia is used. Trade indicia of this type are generally considered weak trade indicia [...].

[40] And at 8-27 and 28:

Marks that do not have much inherent distinctiveness, such as APPLE, BEAUTY or MASTERPIECE, deserve less of an ambit of protection than coined words. These marks are weak due to their common use in everyday language, or their being tinged with a descriptive character and the extent of protection will vary accordingly. This aspect

[inherent distinctiveness] of the confusion analysis takes into consideration the ability of the ordinary consumer to be able to discriminate between marks that have a common element that is non-distinctive.

Marks that have no inherent distinctiveness deserve the smallest ambit of protection. As such, geographic locations, personal and surnames, initials, descriptive terms, common prefixes, common symbols and even registered marks that have become generic are not inherently distinctive and should generally not be accorded a broad ambit of protection.

[41] This brings me to consider the extent to which the trade-marks at issue have become known.

[42] There is evidence from the parties that each of their respective trade-marks has been used in Canada, especially the Applicant's, as per my review below of the salient points of the evidence of record pertaining to this issue.

The Applicant's evidence filed through the Crawford affidavit

[43] Mr. Crawford first provides a background of the Applicant's activities. He states that the Applicant is a family-owned business specialized in the making of ice cider since 2000 [para 4 of his affidavit].

[44] Mr. Crawford goes on to explain that the Mark has been used in Canada by the Applicant since at least as early as September 1, 2001 in association with apple-based alcoholic beverages [para 5 of his affidavit]. He explains that the Applicant distributes and markets its products in Canada and worldwide using various channels of trade and distributors [paras 6-9 of his affidavit].

[45] In support of his assertions of use of the Mark, Mr. Crawford attaches the following exhibits:

- Exhibit "CC-1": an extract of the Applicant's website *www.domainepinnacle.com* as well as photographs of the Applicant's products and examples of advertisements. Upon review of these documents, I note that the website bears a copyright notice dated 2001-2008 and includes photographs of the Applicant's products. The Mark is prominently displayed on labels affixed to bottles of ice cider, cider and apple brandy liquor, and ice cider apple

cream liquor. Some of these labels include the mention “*Récolte 2005*” and one advertisement refers to a 2004 review from a renowned sommelier;

- Exhibit “CC-2”: an extract of the Applicant’s website listing the distributors of the Applicant’s products and indicating where these products can be purchased in Canada and internationally. Upon review of this document, I note that it lists, among others, the various provincial liquor commissions throughout Canada, such as the *Société des alcools du Québec* (SAQ) and the *Liquor Control Board of Ontario* (LCBO) outlets, the Applicant’s store and public markets; and
- Exhibits “CC-3” and “CC-4”: other extracts of the Applicant’s website listing among others, the numerous awards and recognitions won by the Applicant between 2004 and 2010 in Canada and internationally. Upon review of these exhibits, I note that one of the press releases reporting the awards won by the Applicant pertains to a 2002 vintage ice cider and includes a photograph of the bottle and carton box displaying the Mark. Another one refers to the availability of the 2001 vintage ice cider at the SAQ. Mr. Crawford opines that the Applicant’s products under the Mark have acquired a considerable notoriety in the making of ice cider in light of these awards and press coverage. He states that the Applicant has won, among others, the *Prix d’excellence à l’Exportation* awarded for the year 2007 by the *Ministère de l’Agriculture, des Pêcheries et de l’Alimentation du Québec* and that the Applicant counts so far 48 gold medals wins to its credit [paras 10-12 of his affidavit];

[46] Mr. Crawford states that the Applicant’s annual sales are of an average of \$4,000,000. He further states that an average of \$1,400,000 is invested into the promotion and advertisement of the Applicant’s products and that the Mark is the best-selling local product (“*produit du terroir*”) at the SAQ. Mr. Crawford further explains that the Applicant’s products sold under the Mark represent 37% of the SAQ’s ice cider market and that the Applicant’s ice cider associated with the Mark is the only ice cider to have a regular general referencing (“*un référencement général régulier*”) at the LCBO [paras 13-16 of his affidavit].

[47] To sum up, I am satisfied from my review of the Crawford affidavit that the Applicant has established continuous and extensive use of the Mark in Canada in association with the

Wares (1) that is “apple-based alcoholic beverages” dating back to the year 2001. Contrary to the Opponents’ written submissions, Mr. Crawford’s unchallenged testimony clearly establishes how the Mark has been used and become known in Canada in association with these wares. Besides, the Opponents’ evidence far from contradicting use of the Mark, establishes that the Applicant’s Wares (1) are being offered for sale in the province of Québec [see the Chao and Langevin affidavits purporting to evidence the sale of the Applicant’s ice cider under the Mark and of the Opponents’ PINNACLES wine under the Estancia Estates trade-name at the same SAQ retail outlets].

The Opponent’s evidence filed through the Fondiller and Howard affidavits

[48] As it will become apparent going through my review below, the Opponents are all interrelated parties and rely on two different products that have allegedly been marketed and sold in Canada under the trade-mark PINNACLES, namely:

- Franciscan’s PINNACLES wine sold in Canada under the Estancia Estates trade-name; and
- Sumac’s PINNACLE (without an “s”) brand of wines (red, white and sparkling).

[49] The Fondiller affidavit covers both products while the Howard affidavit corroborates part of the evidence provided in the Fondiller affidavit as well as provides additional evidence with respect to Sumac’s PINNACLE wines. I will focus my review on the Fondiller affidavit and refer to the Howard affidavit when pertinent.

Franciscan’s PINNACLES wine

[50] Mr. Fondiller provides an overview of the Opponents’ activities. He explains that Franciscan and Vincor International (now Constellation Canada) are wholly-owned subsidiaries of Constellation, and that Franciscan is a winery selling its products in Canada and the United States, among others countries [paras 2-3 of his affidavit].

[51] More particularly, Mr. Fondiller states that Franciscan does business under a number of different trade-names including Estancia Estates under which it produces and bottles wine sold in

Canada and the United States in association with the trade-mark PINNACLES [para 4 of his affidavit].

[52] Mr. Fondiller goes on to explain that Franciscan is the owner of the trade-mark PINNACLES registered under No. TMA683,119, and which has been used in the normal course of trade in association with wines in Canada since at least as early as 1993 [paras 5-7 of his affidavit].

[53] Mr. Fondiller states that Franciscan's PINNACLES wines are sold and marketed throughout Canada in wine and liquor stores. Additionally, such wines are sold through the distribution networks of Franciscan's parent company, Constellations and Franciscan's US affiliate, Constellation Wines U.S., Inc. In Canada PINNACLES wines are represented in western Canada by Vincor International, in Ontario and the Atlantic Provinces by Churchill Cellars Ltd. and Vincor Québec for certain sales conducted in the province of Québec [para 8 of his affidavit].

[54] Mr. Fondiller provides a chart listing the approximate volume of Franciscan's wines sold in association with the trade-mark PINNACLES in Canada for the years 2007 and 2008, the total of which amounts to about 58,000 bottles, as well as an estimate for the years 2009 and 2010, the total of which amounts to about 55,000 bottles [para 11 of his affidavit]. Mr. Fondiller states that in addition to these sales, wines featuring the trade-mark PINNACLES have been advertised and continuously promoted throughout the United States by Franciscan, with regular spill-over into Canada, notably through magazines [para 16 of his affidavit]. However, no information as to the names, circulation, distribution, etc. of these magazines is provided.

[55] In support of his assertions of use of the PINNACLES trade-mark by Franciscan under the Estancia Estate trade-name in Canada, Mr. Fondiller attaches the following exhibits:

- Exhibit "2": a copy of a representative purchase order and freight instructions evidencing the sale of PINNACLES wine in Canada by Estancia Estates to the SAQ in 2008 [para 9 of his affidavit];
- Exhibit "3": a copy of a representative invoice evidencing the sale of PINNACLES wine

in Canada by Constellation Wines U.S., Inc. to the SAQ for the same year [para 10 of his affidavit]; and

- Exhibit “6”: an example of the label (reproduced below) that is on each bottle of PINNACLES wine sold in Canada [para 17 of his affidavit]:



[56] As stressed by the Applicant, this label refers to PINNACLES RANCHES as opposed to the trade-mark PINNACLES per se.

[57] As set out in *Registrar of Trade-marks v Cie Internationale pour l'Informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA) at 525 when the mark as used deviates from the mark as registered, the question to be asked is whether “the mark was used in such a way that the mark did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used”. In deciding this issue, one must look to see if the “dominant features” have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. This is a question of fact to be determined on a case-by-case basis.

[58] In the present case, the trade-mark as used is made up of the words PINNACLES and RANCHES that are equally dominant. That being so, the overall impression created by the mark as it is registered is lost. Thus, I find that the public as a matter of first impression would not perceive the trade-mark used as being the registered trade-mark [*Nightingale Interloc Ltd v*

Prodesign Ltd (1984), 2 CPR (3d) 535 (TMOB)]. Therefore, I conclude that the modified mark appearing on Franciscan's bottles of wine does not constitute use of the PINNACLES trade-mark as registered. That being so, I conclude that use shown by Franciscan does not constitute use of the registered trade-mark PINNACLES.

[59] This leaves us with Sumac's use of the trade-mark PINNACLE.

Sumac's PINNACLE (without an "s") wine

[60] Mr. Fondiller explains that Franciscan also entered into a license agreement with its Canadian affiliated company, Sumac, to sell wine in Canada in association with the trade-mark PINNACLE. (Sumac has since amalgamated with and into Vincor International.) He states in this regard that Franciscan maintains direct or indirect control of the character or quality of the wine that was sold by Sumac (Vincor International) and "maintains direct or indirect control of the use, advertisement or display of the trade-mark PINNACLES and its version PINNACLE." Both the amalgamation of Sumac with and into Vincor International and the licensed use of the trade-mark PINNACLE under control by Franciscan are corroborated by Mr. Howard, who further explains that Sumac is British Columbia's oldest estate winery; it was acquired by Vincor International in 2000 [paras 2 to 4, and 6 of his affidavit].

[61] Mr. Fondiller states that in addition to the licence agreement between these parties, on or about August 1, 2006, Sumac assigned all of its right, title and interest in and to the trade-mark PINNACLE and all associated goodwill to Franciscan, as evidenced by a copy of the Confirmatory Assignment executed by the parties attached as Exhibit "4" to his affidavit. I will return to that assignment later on when considering the additional surrounding circumstances.

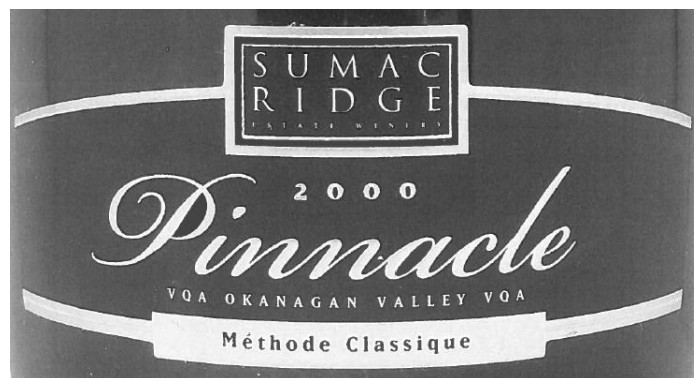
[62] Mr. Howard states that since at least as early as October 1997, Sumac has produced a super premium wine in association with the trade-mark PINNACLE, and that such wine has been distributed by Vincor International since April 2000. The PINNACLE brand of wines (red, white and sparkling) of Sumac represents the highest quality level of wines produced by this company [paras 5, 7 and 9 of his affidavit]. Sumac's wine associated with the trade-mark PINNACLE is sold and marketed throughout Canada in wine and liquor stores, by Sumac itself and through the distribution network of Vincor International [para 8 of his affidavit]. Mr. Howard further

provides a chart listing the approximate volume and value of Sumac's wines featuring the trade-mark PINNACLE sold in Canada and internationally for the period from 2001 to 2008.

According to this chart, the number of litres of wine sold for the years 2001 to 2004 would total 5000 litres and \$28,500. The number of bottles sold for the years 2005 to 2008 would amount to about 25,000 bottles and \$773,000. However, no breakdown for Canada is provided [para 10 of his affidavit].

[63] In support of their assertions of use of the PINNACLE trade-mark by Sumac, Messrs. Fondiller and Howard attach the following exhibits:

- Exhibit "5" to the Fondiller affidavit and Exhibit "9" to the Howard affidavit: copies of representative invoices for the years 2004 to 2008 evidencing the sale of PINNACLE wine of Sumac in Canada by Vincor International;
- Exhibit "7" to the Fondiller affidavit and Exhibit "3" to the Howard affidavit: a representative copy of a label (reproduced below) of Sumac's PINNACLE wine sold in Canada:



- Exhibit "8" to the Fondiller affidavit and Exhibit "4" to the Howard affidavit: an example of boxes and cartons in which bottles of PINNACLE wine were sold in Canada by Sumac; and
- Exhibit "8" to the Howard affidavit: a list of Sumac's awards for its PINNACLE wine. Upon review of this exhibit, I note that some of the press releases reporting the awards won by Sumac pertain to a Okanagan Wine Festival Consumer Choice bronze medal for

a 1997 vintage PINNACLE wine.

[64] Mr. Howard states that wines featuring the trade-mark PINNACLE are continuously advertised and promoted throughout Canada by Sumac and Vincor International at a cost of approximately \$4,000 per year [para 11 of his affidavit]. He attaches to this end the following exhibits:

- Exhibit “5”: a copy of a booklet (Bocuse Booklet) which shows Sumac’s PINNACLE wine, the *Sumac Ridge Estate Winery Pinnacle (red) 2001*, in the BOLD section;
- Exhibit “6”: a copy of Vincor International’s exhibit catalogue distributed to consumers, distributors and clients of Vincor International during a wine tasting event on October 8, 2008; and
- Exhibit “7”: a copy of an advertisement celebrating the 25th anniversary of Sumac. Mr. Howard explains that this advertisement was distributed in 2006 to consumers in Canada and was also available at Sumac’s winery [para 17 of his affidavit].

[65] Messrs. Fondiller and Howard further state that Sumac operates a website at www.sumacridge.com featuring PINNACLE wines and their availability in Canada, as evidenced by the extracts of this website attached to their respective affidavits as Exhibits “9” and “10” [para 20 of both affidavits]. Mr. Howard adds that for many years, the website has attracted a significant number of visitors, and that on average, the website receives over 2500 visitors each month.

[66] At the hearing, the Applicant submitted that use of the trade-mark PINNACLE (without an “s”) does not constitute use of the registered trade-mark PINNACLES. I disagree.

[67] Applying the principles set out above in *Honeywell*, *Promafil* and *Nightingale*, I agree with the Opponents that the deviation between PINNACLE and PINNACLES is a minor one and is not such as to deceive the public.

[68] In view of the foregoing, I am satisfied from my review of the Fondiller and Howard affidavits that the Opponents have established use of the registered trade-mark

PINNACLES in Canada through Franciscan's licensee Sumac dating back to the year 1997. However, the earliest sales figures provided are for the year 2001. Further, the annual sales figures for the years 2001 to 2004 provided by the Howard affidavit are modest.

Conclusion regarding the inherent distinctiveness of the trade-marks and the extent to which they have become known

[69] Comparing the sales figures and marketing figures for Sumac's PINNACLE brand of wines provided by the Opponents through the Howard affidavit to those provided by the Applicant through the Crawford affidavit, I conclude that the overall consideration of this first factor, which is a combination of inherent distinctiveness and acquired distinctiveness, favours the Applicant.

b) the length of time the trade-marks have been in use

[70] The Opponents have contended in their written argument and at the hearing that Franciscan's trade-mark PINNACLES has been used in Canada since at least as early as 1993, that is the date of first use claimed in Franciscan's registration No. TMA683,119. However, in the absence of evidence supporting such date of first use, a claimed date of first use set forth in a registration can establish no more than minimal use and cannot give rise to an inference of significant or continuing use of the mark.

[71] That said, I am satisfied that the Opponents have established use of the registered trade-mark PINNACLES in Canada through Franciscan's licensee Sumac dating back to 1997. By comparison, the Crawford affidavit evidences use of the Mark in association with the Wares (1) dating back to 2001.

[72] Accordingly, the overall consideration of this second factor favours the Opponents with respect to Wares (1) and (2). However, I find the significance of this factor to be reduced with respect to Wares (1) as both trade-marks have been used for a considerable length of time.

c) the nature of the wares, services or business; and d) the nature of the trade

[73] As for the nature of the wares and the nature of the trade, I must compare the Applicant's

statement of wares with the statement of wares in Franciscan's registration [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[74] There is no issue between the parties that the Opponents' wine and the Applicant's applied-for Wares (1) both fall under the general category of alcoholic beverages and travel through essentially the same, or overlapping, channels of trade.

[75] However, the Applicant submits that the exact nature of the Applicant's applied-for Wares (1) differ from that of the Opponents in that they consist of "apple-based alcoholic beverages" whereas the Opponent's registered wares consist of "wine", which is to be considered to indicate the common meaning of the ware as it would be understood by the average person, that is an alcoholic drink made from fermented grape juice. This is true. Still, in line with the decision in *Carling Breweries Ltd v Registrar of Trade-marks* (1972), 8 CPR (2d) 247 (FCTD), I remain of the view that the parties' wares are all products of one industry and that the overall consideration of these third and fourth factors favours the Opponents as far as the applied-for Wares (1) are concerned.

[76] As for the applied-for Wares (2) described as "apple-based non-alcoholic products namely, sparkling and non sparkling juice, sparkling sweet cider, beverage", I agree with the Applicant that they are not part of the same industry as that of the Opponents. This combined with the differences existing between the exact nature of these applied-for wares and the Opponents' wine thus tends to favour the Applicant.

[77] As for the applied-for Wares (2) described as "apple-based non-alcoholic products namely, [...], purees, compotes, jellies, jams, candies, pies, sauces, baby foods and cereals", I agree with the Applicant that they are clearly different than the Opponents' wine. That being so, it is reasonable to infer that their corresponding channels of trade would also differ.

e) The degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[78] There is a fair degree of resemblance between the parties' marks in that the Mark

includes the word PINNACLE, which is the dominant element of the Mark.

[79] Indeed, while the Mark also includes the word DOMAINE and a fanciful design element made up of a snow flake superimposed on an apple, the word PINNACLE remains the most distinctive element, especially when the Mark is considered phonetically.

[80] However, visually speaking and in terms of ideas suggested, the trade-marks at issue differ in that the apple element included in the Mark suggests the idea of apple-based products while the snowflake element suggests the idea of cold and winter. By comparison, the Opponents' trade-marks PINNACLES suggests the idea of a plurality of summits.

Additional surrounding circumstances

State of the register

[81] The Applicant submits in its written argument that it has pleaded in its counter statement the existence of 66 active trade-mark applications or registrations made up of the word PINNACLE standing on the register of trade-marks. More particularly, the Applicant submits that the word PINNACLE is commonly used in association with, among others, food products, dietary supplements, alcoholic or non-alcoholic beverages, as well as restaurant and bar services.

[82] However, the Applicant has merely listed six trade-mark registrations and one allowed application without any further particulars, except for their corresponding registration or application numbers. More importantly, the Applicant has failed to evidence the existence of these alleged registrations and pending application. It is not for the Registrar to exercise his discretion and have regard to anything appearing on the register that is not properly proved by evidence under these circumstances [see *Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. That being so, I agree with the Opponents that no weight ought to be accorded to this additional surrounding circumstance.

Use of the trade-mark PINNACLE by Sumac prior to August 1, 2006

[83] As indicated above, Franciscan entered into a license agreement with Sumac granting Sumac a license to sell wine in Canada in association with the trade-mark PINNACLE. As also

indicated above, in addition to this license agreement, Sumac assigned all of its rights, title and interest in and to the trade-mark PINNACLE and all associated goodwill to Franciscan on or about August 1, 2006 [see Exhibit “4” to the Fondiller affidavit]. The reason being that prior to that date, Sumac was a third party that had been using the trade-mark PINNACLE in Canada since at least as early as 1997 concurrently to Franciscan’s use of the trade-mark PINNACLES.

[84] As evidenced by the Stéphanie Brouillette affidavit, Sumac had opposed Franciscan’s application for the registration of the trade-mark PINNACLES, which ultimately matured to registration No. TMA683,119 following Sumac’s withdrawal of its opposition on August 2, 2006 [see a copy of the file history pertaining to that opposition attached as Exhibit “SB-1” to the Stéphanie Brouillette affidavit].

[85] Relying on the prior concurrent use of Sumac’s PINNACLE wine and Franciscan’s PINNACLES wine, the Applicant submits that the trade-mark PINNACLES lacks distinctiveness. However, as pointed out by the Opponents at the hearing, the confirmatory trade-mark assignment entered into between Sumac and Franciscan expressly provides that pursuant to a settlement agreement and license between Sumac and Franciscan entered into on or about August 1, 2006, Sumac had conveyed, transferred, assigned and delivered to Franciscan all of its rights, title and interest in and to the PINNACLE trade-mark together with all associated goodwill. That being so, the Opponents rightly submit that Sumac’s prior use of the PINNACLE trade-mark cannot be held against Franciscan.

[86] Accordingly, I am not prepared to accord weight to this surrounding circumstance.

Coexistence of the parties’ trade-marks

[87] The Applicant raises as an additional circumstance the absence of confusion between the parties’ trade-marks despite their having been used and having coexisting in Canada for several years. As indicated in *Dion Neckwear*, above:

With respect to the lack of evidence by the opponent of actual confusion, the Registrar expressed the view that an opponent does not need to file that kind of evidence. This is true in theory, but once an applicant has filed some evidence which may point to unlikelihood of confusion, an opponent is at great risk if, relying on the burden of proof the applicant is subject to, it assumes that it does not need to file any evidence of confusion. 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. (See *Pink Panther [Beauty Corp. c. United Artists Corp.* [1998], 80 C.P.R. (3d) 247 (C.A.F.); *Multiplicant Inc. v. Petit Bateau Valton S.A.* (1994), 55 C.P.R. (3d) 372 (F.C.T.D.); *Bally Schuhfabriken AG/Bally's Shoe Factories Ltd. v. Big Blue Jeans Ltd.* (1992), 41 C.P.R. (3d) 205 (F.C.T.D.); *MonSport Inc. v. Vêtements de Sport Bonnie (1978) Ltée* (1988), 22 C.P.R. (3d) 356 (F.C.T.D.).)

[88] In the present case, the evidence of record not only shows concurrent use in provincial liquor commissions but it also shows that the Applicant and the Opponents participate to the same Canadian or international competitions. Indeed, Exhibit “8” to the Howard affidavit and Exhibit “CC-4” to the Crawford affidavit show that the Applicant and the Opponents did participate to the same following competitions in Canada or abroad: *INDY International Wine Competition, The International Eastern Wine Competition, All Canadian Wine Championships, Long Beach Grand Cru*, and won medals for their different products.

[89] That being so, I agree with the Applicant that the coexistence since at least 2001 in the Canadian marketplace of the Applicant’s ice cider under the Mark and the Opponents’ PINNACLES wine is a surrounding circumstance favouring the Applicant in the present case.

Conclusion regarding the likelihood of confusion

[90] As indicated above, the issue is whether a consumer, who has a general and not precise recollection of the Opponents’ trade-mark PINNACLES, will be likely, upon seeing the Mark, to believe that their associated wares share a common source.

[91] Having regard to my comments above, I find 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 Opponents’ trade-mark PINNACLES. While the applied-for Wares (1) and the Opponents’ wines travel through the same, or overlapping channels of trade and both belong to the same industry, I find the overall consideration of the remaining factors shift the balance of probabilities in favour of the Applicant.

[92] Accordingly, the non-registrability ground of opposition is dismissed.

The non-entitlement grounds of opposition

[93] The Opponents have pleaded that the Applicant is not the person entitled to registration of the Mark in view of the provisions of sections 16(1)(a) and (3)(a) of the Act since at the claimed date of first use of the Mark (with respect to the Wares (1)) or at the date of filing of the Applicant's proposed use application (with respect to the Wares (2)), the Mark was confusing with the Opponents' trade-marks PINNACLE, PINNACLE & Design, PINNACLES and PINNACLES RANCHES that had been previously used in Canada in association with wine.

[94] An opponent meets its evidentiary burden with respect to a section 16(1)(a) or 3(a) ground if it shows that as of the date of first use claimed in the applicant's application or, as of the date of filing of the applicant's application as the case may be, its trade-mark had been previously used in Canada and had not been abandoned as of the date of advertisement of the applicant's application [section 16(5) of the Act]. As per my review above of the Fondiller and Howard affidavits, the Opponents have met this burden with respect to the trade-mark PINNACLE & Design as this trade-mark is depicted in Exhibit "7" to the Fondiller affidavit and Exhibit "3" to the Howard affidavit. The Opponents have also arguably met their burden with respect to the trade-mark PINNACLES RANCHES as this trade-mark is depicted in Exhibit "6" to the Fondiller affidavit. (At the hearing, the Applicant submitted that as the phrase PINNACLES RANCHES appears near the bottom of the bottle beneath the terms MONTEREY and PINOT NOIR, it is presented as a sub-region of the Monterey county as opposed to a trade-mark identifying the source of the wine. In view of my ultimate conclusion, I find it is not necessary to discuss this point further). However, the Opponents have not met their burden with respect to the word mark PINNACLES and PINNACLE per se.

[95] The difference in relevant dates affects my analysis above under the non-registrability ground of opposition in that the extent to which the Mark had been used in association with the Wares (1) as of the relevant date to assess the section 16(1)(a) ground of opposition does not come into play. Likewise, the length of time the Mark had been used as of the very date of first use claimed in the Applicant's application and the coexistence of the parties' marks cannot be considered. In other words, the Applicant's case is weaker.

[96] That said, I remain of the view that the Applicant has discharged its legal onus to

establish that there was no reasonable likelihood of confusion between the Mark and either one of the Opponents' trade-mark PINNACLE & Design and PINNACLES RANCHES as of the material dates to assess the sections 16(1)(a) and (3)(a) grounds of opposition.

[97] Indeed, the differences existing between the Wares (2) and the Opponents' wines sold under either one of the trade-marks PINNACLE & Design or PINNACLES RANCHES are sufficient by themselves to find in favour of the Applicant under the section 16(3)(a) ground of opposition.

[98] With respect to the Wares (1), the differences existing between the Opponents' trade-mark PINNACLES RANCHES and the Mark are also sufficient by themselves to find in favour of the Applicant, especially when considering the weak inherent distinctiveness of the marks at issue. While these differences are less significant when considering the Opponent's trade-mark PINNACLE & Design, I remain of the view that they are nonetheless sufficient to distinguish the trade-marks, especially when the *exact* nature of the wares at issue is factored in. Since Mr. Howard's testimony is that wines associated with the PINNACLE & Design trade-mark represent the highest quality of wines produced by Sumac, the PINNACLE & Design trade-mark evokes the laudatory connotation of the word PINNACLE. By comparison, the Mark evokes, as indicated above, a geographical connotation and the fact that the cold and the winter come into play in the making of the Applicant's apple-based products. The evidence of record does not allow me to conclude that either one of the Opponents' trade-marks PINNACLES RANCHES and PINNACLE & Design had been used to a significant extent as of the date of first claimed in the Applicant's application so as to enhance their inherent distinctiveness and deserve a wide ambit of protection.

[99] Accordingly, the sections 16(1)(a) and (3)(a) grounds of opposition are dismissed.

The non-distinctiveness ground of opposition

[100] The Opponents have pleaded that the Mark does not and cannot act to distinguish the applied-for wares of the Applicant from the Opponents' wine, nor is it adapted so to distinguish them in view of the provisions of section 2 of the Act since the Mark creates confusion with the Opponents trade-marks PINNACLE, PINNACLE & Design, PINNACLES and PINNACLES

RANCHES.

[101] An opponent meets its evidential burden with respect to a distinctiveness ground if it shows that as of the filing of the opposition (in this case, August 5, 2008) its trade-mark had become known to some extent at least to negate the distinctiveness of the applied-for mark [see *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD)]. Again, the Opponents have met this burden with respect to the trade-mark PINNACLE & Design as this trade-mark is depicted in Exhibit “7” to the Fondiller affidavit and Exhibit “3” to the Howard affidavit. The Opponents have also arguably met their burden with respect to the trade-mark PINNACLES RANCHES as this trade-mark is depicted in Exhibit “6” to the Fondiller affidavit. However, the Opponents have not met their burden with respect to the word mark PINNACLES and PINNACLE per se.

[102] The difference in relevant dates does not substantially affect my analysis above under the non-registrability ground of opposition. The extent to which the parties’ trade-marks had been used as of the material date to assess the non-distinctiveness ground of opposition favours the Applicant. And so does the coexistence of the parties’ trade-marks. These factors combined with the differences existing between the parties’ trade-marks again shift the balance of probabilities in favour of the Applicant.

Disposition

[103] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office