

**IN THE MATTER OF AN OPPOSITION
by Vintners Quality Alliance of Canada to
application No. 806,698 for the trade-mark
GINSENG QUALITY ASSURANCE GQA
filed by Norfolk Ginseng Corp.**

On April 3, 1996, the applicant filed an application to register the trade-mark GINSENG QUALITY ASSURANCE GQA. The application was amended to include a disclaimer to the words GINSENG and QUALITY and was subsequently advertised for opposition purposes on December 10, 1997. The application as advertised is based on use of the mark in Canada since December 1, 1995 in association with the following services:

conducting educational awareness for ginseng root and ginseng powder, conducting educational services in the nature of providing seminars and trade shows to manufactures [sic] and consumers about the merits and uses of ginseng.

The opponent, Vintners Quality Alliance of Canada, filed a statement of opposition on February 19, 1998, a copy of which was forwarded to the applicant on February 27, 1998. The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the opponent's certification mark VQA & Design (illustrated below) registered under No. 447,026 for "wine."



The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3)(a) [sic] of the Act because, as of the applicant's claimed date of first use, the applied for trade-mark was confusing with the registered trade-mark VQA & Design previously used in Canada with wine.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of its Executive Director, Peter Gamble. As its evidence, the applicant submitted an affidavit of its President, Stephen Lukawski. Mr. Lukawski was cross-examined on his affidavit and the transcript of that cross-examination forms part of the record of this opposition. As evidence in reply, the opponent submitted an affidavit of Sanjay Desai. Both parties filed a written argument and an oral hearing was conducted on December 13, 2001 at which both parties were represented.

By letter dated February 14, 2001, the applicant made reference to two "withdrawals" by the opponent of marks similar or identical to its registered certification mark for which public notice had apparently been given in the Trade-marks Journal. However, the applicant failed to request leave to submit evidence relating to those withdrawals.

In its written argument, the opponent requested leave to amend its statement of opposition to change the reference to Section 16(3)(a) of the Act in the second ground of opposition to Section 16(1)(a). At the outset of the oral hearing, the opponent reiterated that request. The applicant objected on the basis that the ground does not raise a substantial issue for decision and should be rejected outright since the opponent has alleged prior use of its

certification mark by itself contrary to Section 23(1) of the Act. However, a certification mark owner can rely on use of its mark by licensees which is then deemed its own use pursuant to Section 23(2) of the Act. Thus, the second ground is a proper ground of opposition and the allegations of fact contained in paragraph 1(c) of the statement of opposition are consistent with a ground of prior entitlement based on the provisions of Section 16(1)(a) of the Act. It was apparent from the outset that the opponent intended to rely on Section 16(1)(a) rather than Section 16(3)(a) and that the applicant would not be prejudiced by allowing the requested amendment. For those reasons, I granted the opponent's request to amend its statement of opposition pursuant to Rule 40 of the Trade-marks Regulations.

The Evidence

In his affidavit, Mr. Gamble states that the opponent is a corporation whose members are Canadian wine producers. Exhibit A to his affidavit is a photocopy of registration No. 447,026 for the opponent's certification mark VQA & Design which indicates that the words VINTNERS, QUALITY and ALLIANCE and the representation of the eleven-point maple leaf have been disclaimed apart from the mark. According to Mr. Gamble, the opponent establishes standards for quality wines made entirely from Canadian grown grapes. The certification mark VQA & Design is applied by licensed users to wines produced and sold by them which meet those standards. Such wares are sold through retail stores operated by the opponent's licensees, by the Liquor Control Board of Ontario ("LCBO") and by the Société des Alcools de Québec ("SAQ"). According to Mr. Gamble, the opponent's certification mark is also displayed at those stores.

Mr. Gamble states that the opponent's certification mark has been used since at least as early as June 27, 1989. He provides Ontario sales figures of wines bearing the VQA & Design mark effected by the opponent's licensees for the period 1989 to 1997. Such sales totalled in excess of \$228 million. Advertising expenditures for the period 1989 to 1998 were in excess of \$6 million. The applicant criticized the Gamble affidavit as being deficient in not supplying details regarding the opponent's licensees and any licenses entered into. However, the applicant chose not to cross-examine Mr. Gamble respecting those matters. I therefore accept Mr. Gamble's statements at face value and am prepared to conclude that use of the certification mark was by the opponent's licensees and that such use accrued to the opponent's benefit pursuant to the provisions of Section 23(2) of the Act.

Mr. Gamble also describes how he became aware of the applicant and the present application. In this regard, he appended a copy of a brochure from the applicant bearing a design version of the applicant's mark which is reproduced below.

In his affidavit, Mr. Lukawski states that the applicant conducts seminars about the merits and uses of ginseng. Such services are apparently provided in conjunction with a quality assurance program established for Canadian ginseng growers and manufacturers. Exhibit 1 to his affidavit is a photocopy of his company's brochure which is the same brochure evidenced by Exhibit E to the Gamble affidavit.

According to Mr. Lukawski, the applicant's trade-mark GINSENG QUALITY ASSURANCE GQA is also used on wares - i.e. - bottles containing capsules or tablets (see page 8 of the Lukawski transcript). On the other hand, Mr. Lukawski stated on cross-examination that he has not yet licensed use of the applicant's mark to others (see pages 10-11 of the Lukawski transcript). The situation is further confused by the fact that representative advertisements appended as Exhibits 5-7 to the Lukawski affidavit associate the trade-mark GINSENG QUALITY ASSURANCE GQA with an entity identified as Canadian Ginseng Quality Assurance and, on cross-examination, Mr. Lukawski stated that members of the regulatory program established by his company buy ginseng root from another company identified as Market-Wise Enterprises.

The evidence of record suggests that Mr. Lukawski, the applicant and one or more additional companies or entities have set up a certification program for ginseng root in Canada. It would appear that one or more entities is using the design version of the applicant's mark GINSENG QUALITY ASSURANCE GQA as a certification mark which member companies can use under license in selling their ginseng-based products. However,

the present application is not for a certification mark. More importantly, it does not cover wares but only services.

On cross-examination, Mr. Lukawski was asked to provide evidence in support of the applicant's claimed date of first use. The applicant failed to provide any such evidence. Thus it cannot rely on its claimed date of first use.

In his affidavit, Mr. Lukawski states that advertising expenditures in relation to the "GINSENG QUALITY ASSURANCE GQA program" exceeded \$215,000 for the period 1996 to 1998. On cross-examination (at page 26 of the transcript), he was asked to provide evidence to support that figure. The applicant did not follow up with any such information. Thus, I must discount the advertising figures provided by Mr. Lukawski and assume that the applicant's mark has not acquired any measurable reputation in Canada.

Mr. Lukawski states that the sale of wine and alcoholic beverages is a regulated industry in Ontario. He further states that "the sale of wine is not intermingled with other retail products....." To his knowledge, no ginseng products have ever been sold in government liquor stores in Ontario or at wine retail outlets.

Mr. Lukawski also provides evidence regarding the designations CQA and CANADIAN QUALITY ASSURANCE which he states are used by the Canadian Pork Council with an "on farm quality assurance program." However, Mr. Lukawski was unable to evidence any use or reputation for those designations.

The Desai affidavit was submitted by the opponent in reply to Mr. Lukawski's assertion that wine and ginseng products are not sold through the same outlets. On January 19, 2000, Mr. Desai attended at an Ultra Food & Drug store, a Loblaws supermarket and a Longo's supermarket at different locations in Oakville, Ontario. At each of those stores, Mr. Desai located a third party ginseng product bearing the design version of the applicant's trade-mark. Mr. Desai states that The Wine Rack is located in the Ultra Food & Drug store and the Longo's store and that The Wine Shoppe is located in the Loblaws store and that each of those outlets sells wines bearing the opponent's registered certification mark.

Mr. Desai seeks to give the impression in his affidavit that wines bearing the opponent's registered mark are sold through the same outlets that carry ginseng products bearing a design version of the applicant's mark. However, it appears that The Wine Rack and The Wine Shoppe are independent, segregated retail outlets that utilize space in or near the supermarkets rather than sections of those supermarkets operated by the same entity. In other words, there does not appear to be any overlap as between the sale of wine and the sale of ginseng products. In any event, little turns on this finding since the applicant is not seeking registration for wares but only for services.

Mr. Desai also attests to the availability in an LCBO outlet in Toronto of a wine bearing the trade-mark ORIENTAL DRY and the designation "Canadian Ginseng Dry" on the label. I do not consider that fact to be of relevance in assessing the trades of the parties in the present case.

The Grounds of Opposition

As for the ground of opposition based on Section 12(1)(d) of the Act, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's trade-mark GINSENG QUALITY ASSURANCE GQA comprises the non-distinctive elements GINSENG and QUALITY (which have been disclaimed by the applicant) and the inherently weak component GQA which consists of initials. Thus, the applicant's mark is inherently weak. As discussed, given the applicant's failure to respond to relevant enquiries on cross-examination, I cannot ascribe any use or reputation of note for the applicant's mark. Thus, I must conclude that it has not become known at all in Canada.

As for the opponent's registered trade-mark, it comprises the non-distinctive elements VINTNERS, QUALITY and ALLIANCE as well as the eleven-point maple leaf (all of which have been disclaimed by the opponent) and the inherently weak acronym VQA. Thus, the opponent's registered mark is also inherently weak although less so than the applicant's mark

in view of the design components. The Gamble affidavit allows me to conclude that there have been fairly extensive sales of wines bearing the VQA & Design mark in Ontario. However, the evidence suggests that VQA & Design appears as a subsidiary mark on the labels of wine bottles. Nevertheless, given the impressive sales figures attested to by Mr. Gamble, I am able to conclude that the opponent's registered mark has become known to some extent in Ontario. I cannot ascribe any reputation of note for that mark elsewhere in Canada.

The length of time the marks have been in use favors the opponent. As for Sections 6(5)(c) and 6(5)(d) of the Act, the services of the applicant and the wares of the opponent must be compared as listed in the present application and the opponent's registration: see the decisions in Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.); Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.).

The opponent's wares differ significantly from the applicant's services. Wine is not at all similar to the services of providing seminars and trade shows for the purpose of educating manufacturers and consumers about ginseng root and ginseng powder. Likewise, the trades of the parties are distinct. The opponent's wares are sold through retail wine stores and government operated liquor stores. The applicant's services are performed at seminars and trade shows conducted for manufacturers and consumers interested in health food products.

As for Section 6(5)(e) of the Act, I consider that there is little resemblance between the applicant's trade-mark GINSENG QUALITY ASSURANCE GQA and the opponent's

registered certification mark VQA & Design. Both marks include the non-distinctive word QUALITY and share the last two letters in their respective acronyms. Otherwise, the two marks bear no resemblance.

As an additional surrounding circumstance, I have considered the manner in which the applicant's trade-mark has been used to date with wares - i.e. - in the design form illustrated earlier. To that extent, there is a somewhat greater degree of resemblance between the marks in view of the design component and the prominence given to the acronym component in the design version of the applicant's mark.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the inherent weakness of the marks at issue, the significant differences between the wares, services and trades of the parties and the low degree of resemblance between the marks, I find that the applicant's trade-mark GINSENG QUALITY ASSURANCE GQA for the educational services applied for is not confusing with the trade-mark VQA & Design registered for wine. The first ground of opposition is therefore unsuccessful.

As for the second ground of opposition, the applicant's date of first use was challenged on cross-examination and the applicant failed to provide evidence in support of that date. Thus, for the purposes of Section 16 of the Act, I consider that the earliest priority date that the applicant can rely on is its filing date - i.e. - April 3, 1996. The opponent has met its burden of evidencing use of its registered certification mark prior to that date and non-

abandonment of its mark as of the applicant's advertisement date. Thus, the second ground of opposition remains to be decided on the issue of confusion between the applied for mark and the opponent's registered and previously used certification mark. In this regard, the opponent did not rely on its unregistered mark VQA in support of a ground of prior entitlement.

The material time for considering the circumstances respecting the issue of confusion for the second ground is the applicant's filing date. As before, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. For the most part, my conclusions respecting the issue of confusion for the first ground are applicable to the second ground. Thus, I find that the applicant's trade-mark GINSENG QUALITY ASSURANCE GQA for the applied for educational services was not confusing with the trade-mark VQA & Design previously used by the opponent with wine. Thus, the second ground is also unsuccessful.

In passing, it should be noted that the applicant's failure to follow up with evidence supporting its claimed date of first use after the cross-examination of Mr. Lukawski on his affidavit would have sufficed to satisfy the opponent's evidential burden respecting a ground of non-conformance with Section 30(b) of the Act. Likewise, the uncertainty as to the status of the applicant's mark as a certification mark which arose from the Lukawski and Desai affidavits and the cross-examination of Mr. Lukawski suggests that a ground of non-conformance with Section 30(f) of the Act might have been successful. However, no such grounds were pleaded by the opponent and I am therefore precluded from considering them in line with the decision in Imperial Developments Ltd. v. Imperial Oil Ltd. (1984), 79 C.P.R.(2d) 12 at 21 (F.C.T.D.).

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 20th DAY OF DECEMBER, 2001.

**David J. Martin,
Member,
Trade Marks Opposition Board.**