



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

Citation: 2016 TMOB 200
Date of Decision: 2016-12-30

Jim Beam Brands Co. **Opponent**

and

Sazerac of Canada Inc. **Applicant**

1,541,173 for PUCKER

Application

Introduction

[1] Jim Beam Brands Co. (the Opponent) submits that it launched PUCKER vodka in the United States after acquiring the PUCKER brand from Koninklijke De Kuyper B.V. (De Kuyper) and began actively marketing PUCKER vodka in Canada to importers and retailers in 2011. Sometime in late 2011, PUCKER brand vodka was first sold in Alberta.

[2] Corby Distilleries Limited (Corby) applied for the trade-mark PUCKER (the Mark) for use in association with liqueurs and vodka on August 25, 2011 on the basis of its proposed use in Canada. The Mark was subsequently assigned to Sazerac of Canada Inc. (the Applicant).

[3] The Opponent has opposed this application on the basis of allegations (i) that the Applicant did not have the bona fide intention to use the Mark in Canada; (ii) that the Applicant applied for the Mark in bad faith; (iii) that the Opponent had made known or used the PUCKER trade-mark in Canada; and (iv) that the Mark is not distinctive of the Applicant. The Opponent's evidence consists of information about the launch of the PUCKER brand in 2011, sales figures

for the PUCKER brand in Canada, printouts from the PUCKER website, Facebook group and two Youtube videos about PUCKER vodka, and copies of advertisements of PUCKER vodka and supporting circulation information.

[4] The Applicant's evidence consists solely of the affidavit of a private investigator who purchased a bottle of PUCKER vodka and attaches pictures of its back label which states "Bottled by Fielding & Jones, Ltd, Clermont, KY, Frankfort, KY · Cincinnati, OH". As its reply evidence, the Opponent filed evidence that Fielding & Jones Ltd. is one of its business names. The Applicant raises several objections to the Opponent's evidence and submits that if its objections are accepted, the Opponent's evidence will be insufficient to meet the initial evidential burden with respect to any of the grounds of opposition.

[5] For the reasons that follow, I find that the Opponent meets its initial evidential burden and that this application should be refused as the Applicant has not shown that the Mark is distinctive of the Goods.

File History

[6] On August 25, 2011, Corby filed an application for the Mark based on proposed use in Canada in association with alcoholic beverages namely liqueurs and vodka (the Goods). The trade-mark was subsequently assigned to Sazerac of Canada Inc.

[7] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 3, 2012.

[8] On March 4, 2013, the Opponent opposed the application on the basis of the grounds summarized below.

- (a) The application does not comply with section 30(e) of the *Trade-marks Act* RSC 1985, c T-13 (the Act). Neither Corby, nor the Applicant, had any bona fide intention of using the Mark as a trade-mark to distinguish Corby or the Applicant as the source of the Goods.

(b) The application does not comply with section 30(i) of the Act. Neither Corby, nor the Applicant, could have made the statement in good faith that it was satisfied that it was entitled to use the Mark in Canada because they knew or reasonably should have known about:

- i. The prior use and making known of the Opponent's PUCKER trade-marks internationally by the Opponent's predecessor De Kuyper and the reputation and goodwill that those marks consequently enjoyed in Canada;
- ii. The prior assignment from De Kuyper to the Opponent; and/or
- iii. The Opponent's prior use and/or making known of the Opponent's trade-mark PUCKER in Canada in association with (i) beverage alcohol products and/or incidental or ancillary goods or services, (ii) the operation of a website and online social media platforms providing information concerning beverage alcohol products; and/or (iii) advertising and marketing services in the field of beverage alcohol products.

(c) The Applicant is not the person entitled to registration of the Mark because, contrary to section 16(3)(a) of the Act, the Mark is and was confusing with the Opponent's trade-mark PUCKER used in Canada or made known in Canada by the Opponent (and/or its predecessors in title) and/or a licensee or licensees thereof since prior to the filing date in association with:

- i. beverage alcohol products and/or incidental or ancillary goods or services (the Opponent's Goods);
- ii. the operation of a website and online social media platforms providing information concerning beverage alcohol products (the Opponent's Online Services); and

- iii. advertising and marketing services in the field of alcohol products (the Opponent's Marketing Services).
- (d) The Mark is not and cannot be distinctive within the meaning of section 2 of the Act since it does not actually distinguish, is not adapted to distinguish and is not capable of distinguishing the Goods from:
- i. the Opponent's Goods, the Opponent's Online Services and Marketing Services provided in Canada in association with the trade-mark PUCKER by the Opponent (and/or its predecessors in title) and/or licensees thereof; and
 - ii. the Opponent's Goods, which enjoy a reputation and goodwill in Canada as a result of the use and making known of the Opponent's PUCKER trade-marks internationally by the Opponent (and/or its predecessor in title) and/or a licensee or licensees thereof.

[9] The Applicant filed and served a counter statement, in which it denies the Opponent's allegations.

[10] The Opponent filed as its evidence the following: the affidavits of Neale Graham (Graham affidavit), Katherine Ng, Jessica Rose, Simon Mooney, Stefanie Di Francesco, and two affidavits of Joan E. Brehl Steele (the First Affidavit of Joan E. Brehl Steele and Second Affidavit of Joan E. Brehl Steele) and a certified copy of the subject file and an extract of the file history of application No. 179,780 consisting of an assignment of trade-marks dated October 31, 2011 from Corby to the Applicant which included the subject Mark and was also signed by De Kuyper Canada Inc. Leave was granted to the Opponent to file a second affidavit of Neale Graham providing further details regarding his employment history (Second Graham affidavit). Mr. Graham was cross-examined and the transcript and exhibit were filed.

[11] The Applicant filed as its evidence the affidavit of Lacey Short.

[12] The Opponent filed as its reply evidence the affidavit of Elizabeth George.

[13] Both parties filed a written argument and the Opponent alone appeared at a hearing held on August 18, 2016.

Material Dates and Onus

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

- sections 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475] however, in some cases where an application is amended after filing, the amendment is to be considered and the material date is the date of the amendment [*Ipex Inc v Royal Group Inc* (2009), 77 CPR (4th) 297 (TMOB) at para 34]; and
- sections 38(2)(c)/16(3) - the filing date of the application [see section 16(3) of the Act]; and
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 at 324 (FC)].

[15] Before considering the grounds of opposition, it is necessary to review some of the technical requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[16] With respect to (i) above, there is an evidential burden on an opponent to prove the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

Opponent's Evidence

Evidence of Neal Graham

[17] Since 2012, Mr. Graham has been the Vice President of Beam Canada Inc. (Beam Canada) which is, like the Opponent, a subsidiary of Beam Inc. (para 1). Mr. Graham purports to give evidence regarding the Opponent's use and promotion of the PUCKER trade-mark in Canada and the United States; including information about the acquisition of the brand from De Kuyper (para 10), a listing of the Opponent's Canadian applications and international applications and registrations for PUCKER (Exhibits A and B), details of online advertising and copies of print advertising for PUCKER vodka including the number of hits to the www.puckervodka.com website (para 12, Exhibits J and K), details regarding marketing efforts by the Opponent in Canada (para 10), pictures of PUCKER vodka as sold in Canada (Exhibit G) and sales information in Canada for PUCKER vodka (para 13). In examination, it was revealed that Mr. Graham's evidence was deficient in several key respects. For example, he has no knowledge of any documentation by which the Opponent acquired the rights to PUCKER in Canada (Qs 99-102), he was unable to confirm who manufactures PUCKER vodka (Qs 46-57), while he says that Beam Canada has a license to use the trade-mark PUCKER he has not seen the license and does not know its terms (Qs 64-67), he is not able to confirm details about who launched the www.puckervodka.com website, who hosts it, where it is hosted and is unable to provide information on how the number of hits to Canada was determined (Qs 125-139); and he has no independent knowledge regarding the PUCKER vodka Facebook group (Qs 140-145). As a result, the weight which can be given to Mr. Graham's evidence is greatly diminished.

Evidence of Simon Mooney

[18] Mr. Mooney is the Key Accounts Manager – Retail Alberta at Beam Canada (para 1). He provides marketing programs for all of Beam Canada's key accounts in Alberta (para 2). He works closely with Liquor Stores GP Inc. concerning the retail sale of PUCKER vodka through Liquor Depot (para 2). As Exhibit A to his affidavit, Mr. Mooney attaches a picture showing how the PUCKER vodka product is displayed and sold in Liquor Depot stores in Alberta. As

Exhibit B, Mr. Mooney attaches an email from Mr. Engen, the Spirits Category Manager at Liquor Stores GP Inc., providing sales information regarding PUCKER vodka.

[19] In its written submissions, the Applicant submits that Mr. Mooney's evidence amounts to inadmissible hearsay and should be disregarded in its entirety (Applicant Written Arguments, para 54).

[20] Generally hearsay evidence is *prima facie* inadmissible unless it satisfies the criteria of reliability and necessity which govern the common law exceptions to hearsay evidence [*Labatt Brewing Co. v. Molson Breweries, A Partnership*, 68 CPR (3d) 216].

[21] I find no reason to doubt the reliability of the sales figures in this case. Mr. Mooney provides marketing programs for Beam Canada's key accounts in Alberta and as such I infer that sales information is the type of information that Mr. Mooney is likely to receive from others. Mr. Engen is employed by a retailer of PUCKER brand vodka and provides to Mr. Mooney sales information covering a particular period. Mr. Mooney has explained the reason why Mr. Engen is unable to furnish an affidavit himself and I am cognizant of the fact that the Act or Regulations do not provide parties with any power to compel third parties to provide evidence. Therefore, I find that the Mooney affidavit meets the criteria of reliability and necessity for the purposes of this proceeding and I see no reason why the sales figures should be given significantly diminished weight.

[22] The Applicant also objects to the photographs attached to Mr. Mooney's affidavit as they are the same as pictures attached to Mr. Graham's affidavit and Mr. Mooney does not indicate that he took the pictures, nor does he indicate who took the pictures (Applicant's Written Argument, para 54). There is, however, no evidentiary requirement that an affiant personally takes photographs which are attached to their affidavit [*Cascades Canada, Inc. v Wausau Paper Towel & Tissue LLC*, 2010 TMOB 176]. Given Mr. Mooney's position and his statement that the facts and information in his affidavit are known to him personally, I accept that the photos show how PUCKER vodka is sold in the Liquor Depot stores.

[23] Finally, the Applicant raises a discrepancy between the sales figures provided by Mr. Graham and Mr. Mooney (Applicant's Written Argument, para 17). Mr. Graham states that all

sales of PUCKER brand vodka are to the Alberta Liquor and Gaming Commission, which in turn sells the PUCKER vodka product to Alberta Liquor Retailers (para 13) and provides corresponding sales figures. Mr. Mooney provides the sales of PUCKER vodka by Liquor Depot and attaches sales figures from Liquor Depot (para 3; Exhibit B). As Mr. Graham and Mr. Mooney appear to quantify different types of sales, I do not consider there to be a discrepancy such that Mr. Mooney's evidence is called into question.

Evidence of Katherine Ng

[24] Katherine Ng is a student-at-law employed by the Opponent's agent (para 1). Ms. Ng visited the *www.puckervodka.com* website, the Pucker Facebook group and Youtube to view two videos featuring PUCKER vodka (paras 2-4). She attaches printouts from the *www.puckervodka.com* website (Exhibits A and D), a DVD including the Youtube videos (Exhibit B) and print-outs of pages from the Pucker Facebook group (Exhibit C).

Evidence of Jessica Rose

[25] Ms. Rose is a summer law student employed by the Opponent's agent (para 1). She attended two libraries in Toronto, Ontario and from periodicals located at these libraries attaches photocopies of full page PUCKER vodka advertisements appearing in *Cosmopolitan*, *Ebony* and *Elle* (paras 2-4, Exhibits A-C). Ms. Rose also reviewed various back issues of magazines obtained by a librarian employed by the Opponent's agent through a back issue service and attaches photocopies of full page PUCKER advertisements from magazines such as *Entertainment Weekly*, *Marie-Claire*, *OK! (USA) Weekly*, *People StyleWatch* and *US Weekly* (paras 5, Exhibits D-H). The Applicant objects to Ms. Rose's evidence on the basis that she is an employee of the Opponent's agent (see Applicant's Written Arguments, para 112). Having regard to the decision in *Canadian Jewellers Association v American Gem Society* 2010 TMOB 106 (CanLII), I do not find the fact that such evidence was filed by an employee of the Opponent's agent to be problematic. The fact that the evidence of magazine advertisements was introduced by an employee of the Opponent's agent does not make it less proper or open to suspicion than if the Opponent's agent had hired an outside investigator to review particular periodicals to locate advertisements for PUCKER and swear an affidavit.

Evidence of Stefanie Di Francesco

[26] Ms. Di Francesco, a student-at-law employed by the Opponent's agent (para 1), attended at two libraries in Mississauga, Ontario and photocopied full page PUCKER advertisements from magazines such as *Essence*, *Cosmopolitan*, and *Marie-Claire* (paras 2-6; Exhibits A-E). She also ordered various issues of *Cosmopolitan*, *Elle*, *People Style Watch*, and *Life and Style* from a back issue service and attaches full page PUCKER advertisements from these magazines (paras 7-13; Exhibits F-J). For the reasons set out in paragraph 25, I am not affording less weight to the evidence of Ms. Di Francesco on the basis that she is an employee of the Opponent's agent.

Evidence of Joan Brehl Steele

[27] Ms. Brehl Steele is the Vice President/General Manager, Canada, of the Alliance for Audited Media (First Brehl Steele affidavit, para 1). She introduces evidence of the average and verified paid circulation of the various periodicals referenced in the affidavits of Mr. Graham, Ms. Rose and Ms. Di Francesco. The circulation information is generally provided for six months based on the distribution of a single issue within that six month period (First Brehl Steele affidavit, paras 4-13; Second Brehl Steele affidavit, paras 4-14). The Applicant objects to Ms. Brehl Steele's evidence on the basis that the exhibits attached to her affidavit are unaudited and unofficial and while they purport to show the "average" circulation within a six month period, the figures provided are not necessarily based on the issues in which PUCKER advertisements appeared (see Applicant's Written Argument, paras 41-43). In contrast to the Applicant's position, I find that the circulation information provided by Ms. Brehl Steele is probative evidence of the circulation of issues of a given periodical falling within the six month range of the statement since the publisher's statements are checked for errors, omissions and unexplained fluctuations and are published "subject to audit" (First Brehl Steele affidavit, paras 2-3; Second Brehl Steele affidavit, paras 2-3).

Applicant's Evidence

Evidence of Lacey Short

[28] Ms. Short is a licensed private investigator in the province of Alberta (para 1). She attended a Liquor Depot location in Calgary, Alberta to purchase a single bottle of PUCKER vodka (Short affidavit, para 2). She attaches photographs of the bottle including the back label which displays "Bottled by Fielding & Jones, Ltd, Clermont, KY, Frankfort, KY · Cincinnati, OH" (Short affidavit, Exhibit B). While the material date for each of the grounds of opposition pre-dates Ms. Short's investigation, this does not preclude the consideration of evidence arising subsequent to these dates insofar as it may indicate a situation existing as of the material dates [*Bacardi & Co v Jack Spratt Manufacturing* (1984), 1 CPR (3d) 122 at 125-126 (TMOB)].

Opponent's Reply Evidence

Evidence of Elizabeth George

[29] Ms. George is a Global Paralegal, Intellectual Property with the Opponent (para 1). Her evidence is that the Opponent has an assumed name Fielding & Jones, Ltd. and that bottles of the Opponent's PUCKER-branded vodka display this name (para 5). Ms. George attaches to her affidavit copies of certificates issued to the Opponent showing registration on December 6, 2001 and renewal in 2006 and 2011 of the trade name Fielding & Jones, Ltd. in Ohio (Exhibit A) and a Certificate of Assumed Name issued to Jim Beam Brands Co. by the State of Kentucky in 2013 (Exhibit B).

[30] In its written argument, the Applicant objects to this evidence as not being proper reply evidence (paras 71-76).

[31] According to section 43 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations) such evidence must be strictly confined to matters in reply. Justice Pelletier in *Halford v Seed Hawk Inc* (2003), 24 CPR (4th) 220 (FCTD) at paras 14-15 provides the following guidelines as to what constitutes proper reply evidence:

- (i) Evidence which is simply confirmatory of evidence already before the court is not to be

- allowed.
- (ii) Evidence which is directed to a matter raised for the first time in cross examination and which ought to have been part of the plaintiff's case in chief is not to be allowed. Any other new matter relevant to a matter in issue, and not simply for the purpose of contradicting a defence witness, may be allowed.
 - (iii) Evidence which is simply a rebuttal of evidence led as part of the defence case and which could have been led in chief is not to be admitted.
 - (iv) Evidence which is excluded because it should have been led as part of the plaintiffs' case in chief will be examined to determine if it should be admitted...

[32] In its written argument, the Applicant submits that the Opponent's evidence in chief introduced this entity by way of the display of Fielding & Jones Ltd. on print advertisements, screenshots and print-outs of webpages from the PUCKER vodka website and online videos (Applicant's Written Argument, para 72). The Applicant further submits that the Opponent had the opportunity to identify this entity, and its relationship, if any, to the Opponent at the first instance (Applicant's Written Argument, para 72). The Applicant argues that Ms. George's evidence improperly splits the Opponent's case because it cannot say that it "has had no opportunity to deal with" the identity of Fielding & Jones Ltd., or that the Opponent "could not reasonably have anticipated" the Applicant producing additional photographs of PUCKER vodka (Applicant's Written Argument, para 75).

[33] In support of its submissions, the Applicant relies on *R v Krause* [1986] 2 SCR 466 at paragraphs 15-16 where the Supreme Court of Canada states that generally a party will not be allowed to split its case and is required to enter all the clearly relevant evidence that it intends to rely upon. Thus, a party will not be allowed to call in reply evidence what it could have called in the first instance, unless a new matter or defence, for which the party could not have anticipated, is raised by the other side.

Evidence of Ms. George is Proper Reply Evidence

[34] I find the affidavit of Ms. George to be proper reply evidence in accordance with *Halford v Seed Hawk, supra* as it responds directly to an issue raised by the Applicant in its cross-examination of Mr. Graham (see Qs 243-244) and in the affidavit of Ms. Short (see Exhibit B which attaches a picture of the bottle showing the back label which says "Bottled by Fielding & Jones, Ltd, Clermont, KY, Frankfort, KY · Cincinnati, OH"). Further, despite the broad language in *Krause* it has been held that evidence concerning an issue that took on added

significance as a result of the evidence filed by the other party may be admitted as reply evidence [*R v P.(G)*, 1996 CanLII 420 (OCA)]. Finally, if I am incorrect in so finding since it is difficult to state that the Opponent could not have anticipated the Applicant's evidence regarding the presence of Fielding & Jones on the PUCKER bottle, I consider that I should exercise my discretion to admit the Opponent's reply evidence given its importance, the fact that the Opponent has always maintained it has used the PUCKER trade-mark in Canada and the evidence does not present a new theory or argument in the case of which the Applicant was unaware.

Distinctiveness Ground of Opposition

[35] I will first consider the distinctiveness ground of opposition. The Opponent alleges that the Mark is not distinctive since it does not actually distinguish the Goods from the Opponent's Goods, the Opponent's Online or Marketing Services provided in Canada or the Opponent's Goods which enjoy a reputation and goodwill in Canada as a result of the use and making known of the Opponent's PUCKER trade-marks internationally by the Opponent (and/or its predecessor in title) and/or a licensee or licensees thereof.

[36] There is an initial evidential burden on the Opponent to establish that, as of March 4, 2013, its PUCKER trade-mark was known to such an extent that it could negate the distinctiveness of the Mark. The Opponent will have met its burden if its mark is known in Canada to some extent and its trade-mark's reputation is substantial, significant or sufficient or, in the alternative, that it is well known in a part of Canada [*Bojangles' International, LLC v Bojangles Café Ltd* (2006), 2006 FC 657 (CanLII), 48 CPR (4th) 427 (FC) at paras 33-34]. An attack based on non-distinctiveness is not restricted to the advertising or performance of services or sales of goods in Canada. It may also be based on evidence of knowledge or reputation of the Opponent's trade-mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 1981 CanLII 2834 (FC), 56 CPR (2d) 44 (FCTD) at 58-59].

The Opponent Meets Its Initial Evidential Burden with Respect to Distinctiveness

[37] When taken together, the evidence of sales and advertising summarized below is sufficient for the Opponent to meet its initial evidential burden of showing that its PUCKER

trade-mark used in association with vodka is known to some extent and its reputation in Canada is sufficient to negate the distinctiveness of the Mark.

Advertising and Sales in Alberta Liquor Stores

- Mr. Mooney's evidence is that vodka branded with the PUCKER trade-mark is sold in Liquor Depot stores in Alberta (para 2). He provides the following sales information obtained from Ryan Engen, the Spirits Category Manager at Liquor Stores GP. Inc.: in 2011, 9 bottles of PUCKER vodka were sold, in 2012 over 4000 bottles were sold and between January 1 – August 2013 over 3800 bottles were sold (para 3, Exhibit B). Mr. Mooney also attaches photographs showing that when displayed the PUCKER trade-mark is visible to consumers on the bottle (Exhibit A).

Advertising in Periodicals Circulated in Canada

- The Opponent's evidence is that full page advertisements featuring the PUCKER trade-mark prominently have appeared in the following magazines (issues are indicated in brackets): *Essence* (November 2012, May 2012); *Cosmopolitan* (August 2011, September 2011, October 2011 and December 2011, May 2012, June 2012); *Marie-Claire* (August 2011, September 2011, October 2011, November 2011; May 2012); *Elle* (August 2011, October 2011, November 2011 and June 2012; August 2012; November 2012); *People Stylewatch* (September 2011, November 2011 and December 2011/January 2012, June 2012, Dec12/Jan 13); *Life & Style* (February 27, 2012; March 12, 2012; June 18, 2012; September 10, 2012; October 1, 2012); *Ebony* (July 2011); *Entertainment Weekly* (July 29, 2011; December 9, 2011); *OK! (USA) Weekly* (July 11, 2011, July 25, 2011, September 5, 2011, October 3, 2011, December 5, 2011 and December 26, 2011); *US Weekly* (August 8, 2011, August 22, 2011, September 26, 2011 and December 26, 2011) (Di Francesco affidavit, Exhibits A-D, F-J; Rose affidavit, Exhibits A- H).
- Based on Ms. Brehl Steele's evidence, I find that there was extensive circulation in Canada of the periodicals referenced in the bullet point above during that time; specifically, *Cosmopolitan* with circulation over 200,000 (First Brehl Steele affidavit, para 4, Exhibit A; Second Brehl Steele affidavit para 4, Exhibit K); *US Weekly* with

circulation over 60,000 (First Brehl Steele affidavit, para 13, Exhibit J); *People Stylewatch* with circulation of over 50,000 (First Brehl Steele affidavit, para 11, Exhibit H; Second Brehl Steele affidavit, paras 13-14, Exhibits T-U; para 14, Exhibit U); *Life & Style* with circulation of over 50,000 (Second Brehl Steele affidavit, paras 10-11, Exhibits Q-R). Further, there was significant circulation of the following periodicals with circulation of over 20,000 for: *Marie-Claire* (First Brehl Steele affidavit, para 9 Exhibit F, Second Brehl Steele affidavit, para 12; Exhibit S); *OK! (USA) Weekly*; (First Brehl Steele affidavit, para 10; Exhibit G); *Elle* (First Brehl Steele affidavit para 6, Exhibit C, Second Brehl Steele affidavit, paras 6- 7, Exhibits M-N) and *Entertainment Weekly* (First Brehl Steele affidavit, para 8, Exhibit E).

Use Enures to Opponent

- The PUCKER bottles of vodka and the advertising all display the name Fielding & Jones, Ltd. which is a business name of the Opponent (George Affidavit, para 5; Exhibits A-B). As such, I find that the use of the PUCKER trade-mark on the vodka bottles sold in Canada and the reputation arising from the circulation of the advertisements in Canada enures to the Opponent.

The Applicant Does Not Meet Its Legal Onus

[38] As the Opponent has met its evidential burden, there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes the Goods from those of the Opponent throughout Canada [section 2 of the Act; *Muffin Houses Incorporated v The Muffin House Bakery Ltd*, (1985) 4 CPR (3d) 272 (TMOB)]. A trade-mark is distinctive when consumers associate it with a single source; if a trade-mark is related to more than one source or used by more than one party it cannot be distinctive [*Moore Dry Kiln Co of Canada Ltd v US Natural Resources Inc*, (1976), 30 CPR (2d) 40 (FCA) at 49; *Nature Path Foods Inc. v Quaker Oats Co. of Canada Ltd.*, 2001 FCT 366 at para 41 (CanLII)]. Here the parties' trade-marks and the goods associated with these trade-marks are identical with respect to vodka and are highly related with respect to liqueurs. In this case, given the evidence of sales and advertising of the Opponent's PUCKER vodka at the material date, the Opponent meets its evidential burden and

the Applicant fails to meet its legal onus of demonstrating that the Mark actually distinguishes the Goods from the goods of the Opponent or is so adapted to distinguish them. As such, this ground of opposition is successful.

Section 16(3)(a) Ground of Opposition

[39] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(a) of the Act because it was confusing with the Opponent's PUCKER trade-mark previously used or made known in Canada by the Opponent and/or its predecessors in title) and/or a licensee or licensees in association with the Opponent's Goods, the Opponent's Online Services, and the Opponent's Marketing Services.

[40] To meet its initial evidential burden, the Opponent must prove that it had used or made known its PUCKER trade-mark in association with its pleaded goods and services as of August 25, 2011, the filing date of the application (see section 16(3)(a) of the Act). The Opponent must also show that it had not abandoned its trade-mark at the date of advertisement of the application (see section 16(5) of the Act). The requirements for use are set out in section 4(1) and 4(2) of the Act; the requirements for making known are set out in section 5 of the Act.

The Opponent Does Not Meet Its Burden With Respect to Making Known

[41] The Opponent does not meet its evidential burden with respect to the making known of its PUCKER trade-mark in association with any of the pleaded goods and services in accordance with section 5 of the Act. The making known requirements set out in section 5 require a finding that the trade-mark has become well known in Canada by reason of the distribution or advertising of the Opponent's goods and services in Canada such that a substantial area in Canada knows its trade-mark [*Marineland Inc. v Marine Wonderland and Animal Park Ltd.* (1974), 16 CPR (2d) 97 (FCTD)]. While the Opponent has demonstrated that its PUCKER brand has been advertised in Canada in periodicals which have extensive circulation, it fails to show that its mark is well known in Canada such that a substantial area of Canada knows its trade-mark as required.

The Opponent Does Not Meet Its Burden With Respect to Beverage Alcohol Products

[42] The Opponent's evidence of sales of PUCKER vodka in Canada is insufficient to meet its initial evidential burden for the entitlement ground of opposition. There is no evidence that sales of its PUCKER vodka had commenced prior to the material date. Rather, in examination Mr. Graham says he believes that sales commenced only in "the last three months" of 2011 (Graham cross-examination, Q 253).

[43] The Opponent, however, submits that the distribution of samples to the LCBO on or about June 22, 2011 (Graham affidavit, para 10) qualifies as use of the Opponent's trade-mark pursuant to section 4(1) of the Act (Opponent's Written Argument, paras 63-64). Generally, the distribution of samples bearing a trade-mark does not constitute use of that trade-mark in the normal course of trade except in certain circumstances. For example, in *ConAgra Foods, Inc v Fetherstonhaugh & Co* (2002), 23 CPR (4th) 49 (FCTD), the Court accepted the distribution of samples to develop a market as a regular step in the normal course of trade in the trade-mark owner's industry and found use of the trade-mark. That conclusion was supported by the fact that regular commercial sales followed shortly after the samples were distributed. In the present case, it is not clear that such distribution of samples is a regular step in the normal course of trade in alcoholic beverages. In any event, there is no evidence that the Opponent subsequently made commercial sales of PUCKER vodka to or through the LCBO. Rather the evidence is that, as of February 13, 2014, sales of PUCKER had not commenced in Ontario (Graham cross-examination, Q 267). Therefore, I do not find the Opponent's evidence of distribution of samples to the LCBO sufficient to meet its initial evidential burden.

The Opponent Does Not Meet Its Burden With Respect to Online Services

[44] The Opponent submits that it has been using its PUCKER trade-mark in association with the Opponent's Online Services offered through the website *www.puckervodka.com* and on its Facebook page prior to the filing date of the application (Opponent's Written Argument, para 65). The Opponent submits that these pages feature recipes and other information about vodka (Opponent's Written Argument, para 66; Ng affidavit, Exhibits A and C; Graham affidavit, paras 9, 12).

[45] Section 4(2) of the Act sets out what constitutes use of a trade-mark in association with services:

4(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[46] I do not find the Opponent's evidence sufficient to meet its initial evidential burden that it was using the trade-mark PUCKER in association with the Opponent's Online Services for the following reasons. Even if I gave full weight to Mr. Graham's statement that in June 2011, two months prior to the material date, the Opponent had launched the PUCKER vodka website at *www.puckervodka.com* and it was designed with the intent that it would include visitors from Canada and that by the end of that year, there were 1,129 visits to the PUCKER website from those self reporting to be Canadian (Graham affidavit, para 12), there is no evidence that any such visits occurred prior to the material date. Likewise, with respect to the Opponent's PUCKER Facebook page, while Mr. Graham says that this page was launched on January 28, 2011 (Graham affidavit, para 9) there is no evidence that it was accessed by anyone in Canada prior to the material date. Finally, other than the fact that users are required to enter their country and one of the options includes Canada, there is no evidence to support an inference that the Opponent actively targeted or offered its online services to Canadians or that there is a nexus between the Opponent's online services and Canada as required to prove use in accordance with section 4 of the Act [*HomeAway.com, Inc v Hrdlicka*, 2012 FC 1467 (CanLII); *Star Island Entertainment LLC v Provent Holdings Ltd* 2013 TMOB 84 (CanLII), 112 CPR (4th) 321 (TMOB) at para 30; *Unicast SA v South Asian Broadcasting Corp* 2014 FC at paras 46-47].

The Opponent Does Not Meet Its Evidential Burden with Respect to its Marketing Services

[47] Mr. Graham's evidence is that it began marketing vodka in February 2011 through presentations to the Liquor Control Board of Ontario (on February 23, 2011), British Columbia Liquor Distribution Branch (on April 4, 2011), Alberta Liquor Depot (on March 7, 2011) and Nova Scotia Liquor Corporation (on July/August 2011) (Graham affidavit, para 10).

[48] Even if I had accepted Mr. Graham's evidence detailed above, it would not have been sufficient for the Opponent to meet its evidential burden that it was using the trade-mark PUCKER in association with the Opponent's Marketing Services for the following reasons.

Marketing services can either be performed for one's own benefit or for the benefit of others. In the latter case, that may be a service because it benefits some members of the public (e.g. - an advertising agency may perform such activities for its clients). In the former case, however, such activities are essentially self-serving, are not for the benefit of others and as such do not constitute a service pursuant to section 4 of the Act [*Lipton v The HVR Company*, 1995 CanLII 10265 (TMOB)]. In the present case, the Opponent has not shown it is performing marketing services for the benefit of others; it is performing such activities only for itself. Thus, it has not shown use of its PUCKER trade-mark for the Opponent's Marketing Services services in accordance with section 4 of the Act.

The Section 16(3)(a) Ground of Opposition is Rejected

[49] As the Opponent does not meet its evidential burden with respect to the section 16(3)(a) ground of opposition, it is rejected.

Section 30(i) Ground of Opposition

[50] The Opponent alleges that the application does not comply with section 30(i) of the Act since neither Corby or the Applicant could have made the statement in good faith that it was satisfied that it was entitled to use the Mark in Canada in association with the Goods because they knew or reasonably should have known about:

- (a) the prior use and making known of the Opponent's PUCKER [trade-marks] internationally by the Opponent's predecessor De Kuyper and the reputation and goodwill that those marks consequently enjoyed in Canada...;
- (b) the prior assignment from De Kuyper to the Opponent; and/or
- (c) [the] Opponent's prior use and/or making known of the Opponent's trade-mark PUCKER in Canada in association with (i) beverage alcohol products and/or incidental or ancillary [goods] or services, (ii) the operation of a website and online social media platforms providing information concerning beverage alcohol products; and/or (iii) advertising and marketing services in the field of beverage alcohol products.

[51] The Opponent submits that this ground of opposition should be considered at two material dates by asking:

(a) At the filing date of August 25, 2011, was Corby satisfied of its entitlement to use the Mark?

(b) At the date the application was amended on May 16, 2012 was the Applicant satisfied of its entitlement to use the Mark?

[52] I agree with the Opponent that as the Mark had been assigned to the Applicant on November 18, 2011 and that the Applicant filed an amended application on May 16, 2012 including the statement that it was satisfied of its entitlement to use the Mark, it is appropriate to ask whether the Applicant could be satisfied of its entitlement to use the Mark at the date of filing its amended application [see, for example, the discussion in *Ipex, supra*].

[53] The Opponent points to the following in support of its allegations that neither Corby, nor the Applicant, could have been satisfied of their entitlement to use the Mark in Canada.

- Mr. Graham states that the Opponent, by itself and through a predecessor in interest (De Kuyper) has used PUCKER in association with flavoured liqueurs in the United States since at least as early as 1996 and owns trade-mark registrations for PUCKER in several jurisdictions (Graham affidavits, paras 4-5; Exhibit B). Mr. Graham further states that in 2010 the Opponent acquired the PUCKER brand from De Kuyper (Graham affidavit para 8). The Opponent further submits Corby would have been aware of the relationship between the Opponent and De Kuyper and in particular the acquisition of the PUCKER brand by the Opponent in 2010. Even if I had been willing to accept Mr. Graham's statements on the use and acquisition of PUCKER as evidence, the Opponent has failed to evidence any PUCKER trade-mark rights in Canada owned by De Kuyper prior to the filing of the application, nor that if such rights existed they were included in the acquisition of the PUCKER brand (Graham cross-examination, Qs 99-102). Further, for the reasons set out in the part of this decision discussing the section 16(3)(a) ground of opposition, the Opponent has not evidenced that it had used or made known its PUCKER trade-mark prior to the filing date of the subject application.

- At the time of filing the amended application, the Applicant knew or ought to have known that the Opponent had already used, made known, or advertised the Opponent's PUCKER trade-mark in Canada (Opponent's Written Arguments, para 81).

The Opponent Does Not Meet Its Evidential Burden With Respect to the Statement of Entitlement

[54] Section 30(i) of the Act requires that an applicant declares itself satisfied that it is entitled to use the applied-for mark. The jurisprudence suggests that non-compliance with section 30(i) can be found in one of two circumstances. The first circumstance is where there are exceptional circumstances such as bad faith which render the applicant's statement that it is satisfied that it is entitled to use the applied-for mark untrue [*Sapodilla Co. Ltd. v Bristol-Myers Co.* (1974), 15 CPR (2d) 152 (TMOB) at 155; *Cerverceria Modelo, S.A. de C.V. v Marcon* (2008), 70 CPR (4th) 355 (TMOB) at 369]. The second circumstance is where there is a prima facie case of non-compliance with a federal statute [*Interactiv Design Pty Ltd. v Grafton-Fraser Inc.* (1998), 87 CPR (3d) 537 (TMOB) at 542-543].

[55] In this case, there is no evidence of bad faith. With respect to the Opponent's allegation that Corby could not be satisfied of its entitlement to use the Mark as of August 25, 2011 a person may file an application for a trade-mark in Canada which it knows has been used or registered in another country, and this does not necessarily constitute bad faith [*Skinny Nutritional Corporation v Bio-Synergy Limited*, 2012 TMOB 186; *Taverniti SARL v DGGM Bitton Holdings Inc* (1986), 8 CPR (3d) 400 (TMOB) at 404-405; *Restaurant Development Group LLC v Vescio Group Inc.*, 2016 TMOB 82 at para 43]. With respect to the Opponent's allegation that the Applicant could not be satisfied of its entitlement to use the Mark on May 16, 2012, mere knowledge of the existence of the Opponent's trade-mark is not in itself sufficient to meet an Opponent's burden that the Applicant could not have been satisfied of its entitlement to use the Mark [*Woot Inc. v WootRestaurants Inc. / Les Restaurants Woot Inc.*, 2012 TMOB 197 at paras 10-11]. This is particularly so in this case where the Applicant was assigned an application for the Mark before there is any evidence of the Opponent having sold any bottles of PUCKER brand product in Canada. As such, this ground of opposition is rejected.

Section 30(e) Ground of Opposition

[56] The Opponent alleges that neither Corby, nor the Applicant, had any bona fide intention of using the Mark in Canada in association with the Goods as a trade-mark to distinguish Corby or the Applicant as the source of the Goods. There is no evidence that supports the Opponent's allegation, consequently, this ground of opposition is rejected.

Disposition

[57] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: August 18, 2016

APPEARANCES

Peter Giddens For the Opponent

No One Appearing For the Applicant

AGENTS OF RECORD

MCMILLAN LLP For the Opponent

SMART & BIGGAR For the Applicant