



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

Citation: 2022 TMOB 193
Date of Decision: 2022-09-29

IN THE MATTER OF AN OPPOSITION

D.M.C. SRL **Opponent**

and

Ermenegildo Giusti **Applicant**

1,611,381 for GIUSTI PROSECCO **Application**

Overview

[1] On January 25, 2013, Ermenegildo Giusti (the Applicant) filed an application to register the trademark GIUSTI PROSECCO (the Mark). The application for the Mark is for use in association with wine and is based upon the Applicant's use since December 20, 2012.

[2] The application was advertised for opposition purposes in the *Trademarks Journal* on May 20, 2015.

[3] On October 10, 2015, D.M.C. SRL (the Opponent) filed a statement of opposition against the application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c. T-13 (the Act). This Act was amended on June 17, 2019. All references are to the Act as amended and the grounds of opposition will be assessed based on the Act as it read before it was amended (see section 70 of the Act). The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[4] In support of its opposition, the Opponent submitted an affidavit of Cristina De Giusti. In response, the Applicant filed the affidavit of Ermenegildo Giusti. The affidants were cross-examined on their evidence. As its reply evidence, the Opponent submitted a second affidavit of Ms. De Giusti. Both parties filed written arguments and participated in a hearing.

[5] Briefly stated, the grounds of opposition are:

(a) The Mark is not registrable in view of section 38(2)(d) of the Act, as the Mark is not distinctive, and at all material times, has not been and could not be distinctive of the Goods of the Applicant.

(b) The application does not conform to the requirements of section 30(b) of the Act because the Applicant did not use the Mark in Canada since the claimed date of first use, namely, December 20, 2012.

(c) The Mark is not registrable in view of sections 38(2)(b) and 12(1)(a) of the Act, in that the Mark consists primarily merely of a surname.

(d) The Applicant is not the person entitled to register the Mark in view of section 16(1)(a) and 38(2)(c) of the Act.

The sections 2 and 16(1)(a) grounds of opposition are based on the Opponent's trademarks DE GIUSTI, DE GIUSTI (stylized) and De Giusti ORGOGLIO.

Preliminary Issue - Leave to Amend the Statement of Opposition

[6] In its written argument, the Opponent included a discussion of a section 30(i) ground of opposition which it stated would be in a "forthcoming amendment to the statement of opposition". A written request to amend the statement of opposition was submitted after the oral hearing requesting the addition of the underlined text below:

Section 38(2)(c), Section 16(1)(a), and Section 30(i).

9. The trademark applied for is not registrable in view of Section 16(1)(a) and 38(2)(c) of the Act, in that the Applicant is not the person entitled to registration of the trademark. For example, as of the filing date of the Application, and at all material times, the trademark was confusing with, or likely to be confusing with,

the Opponent's trademarks, including those listed at paragraph 5 above, used or made known in Canada by the Opponent before the Application was filed. Furthermore, the Applicant is not the person entitled because any use in Canada of the trademark applied for was by SOCIETA AGRICOLA GIUSTI DAL COL SRL, a third party. As well, the Applicant could not have been satisfied of his entitlement to use the GIUSTI PROSECCO trademark in Canada because, at the filing date or any other material time, the Applicant was aware or should be deemed to have been aware of the Opponent's DE GIUSTI mark since at least as early as 2009.

[7] I do not find that it is in the interests of justice to grant leave to file the amended statement of opposition as the opposition is at a very late stage, there is no satisfactory reason why an amended statement of opposition was not filed prior to the hearing, the amendment is not important as it has no chance of success and, as such, the prejudice to the Opponent for refusing leave is very limited. In contrast, the prejudice to the Applicant of permitting an amendment at this time would be greater as the Opponent would be permitted to split its case and delay registration of the application (if the Applicant succeeds in the opposition).

[8] I find that the amendment has no chance of success for the following reasons. After evidence is filed, the Registrar considers the pleadings with regard to the evidence [*Novopharm Ltd v Astrazeneca AB*, 2002 FCA 387]. A section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. Here, no evidence of bad faith has been provided by the Opponent, nor any evidence to support that this is an exceptional case. Indeed, even if the Applicant was aware of the Opponent's Mark, the mere knowledge of the existence of the Opponent's DE GIUSTI trademarks and their use and registration in other jurisdictions does not in and of itself support an allegation that the Applicant could not have been satisfied of his entitlement to use the Mark in Canada [*Taverniti SARL v DGGM Bitton Holdings Inc* (1986), 8 CPR (3d) 400 (TMOB) at 404-40; *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197].

Preliminary Issue – Refusals at Cross-examination

[9] The Applicant's prior agent prevented Mr. Giusti from answering many questions posed during his cross-examination stating that the cross-examination had to stay within the scope of

his affidavit (for example, see the discussion at Qs 30-31). In *Coca-Cola Ltd. v Compagnie française de Commerce International COFCI, S.A.*, (1991), 35 CPR (3d) 406 (TMOB) at 412–413, the Registrar explained the scope of cross-examination in opposition decisions:

... Although the scope of cross-examination is certainly not as broad as that allowed in an examination for discovery in a civil action, it may extend beyond the particular issue for which the affidavit in question was submitted. This follows, in my view, from the fact that an opposition is not simply an ‘inter partes’ proceeding but also involves a consideration of the public interest. For example, it is in the public interest to allow an officer of an applicant to be questioned as to the accuracy of a date of first use to ensure the legitimacy of an applicant's claimed basis for registration. The extended scope of cross-examination in opposition proceedings also follows (at least in the case of a ground of non-compliance with s. 30(b) of the Act) from the fact that the facts relating to that ground are, in most cases, only within the knowledge of the applicant. Thus, if the Grivory affidavit is found to be limited solely to the issue of the nature of the applicant's wares and trade, I consider that the opponent was nevertheless entitled to an extended scope to its cross-examination to cover the related issue of the applicant's date of first use of its trademark.

[10] Failure to answer proper questions or submit and serve answers to undertakings may result in negative inferences being drawn or in the affidavit being ignored at the decision stage [*Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 332 (TMOB)].

[11] Given that the section 30(b) ground of opposition concerns the Applicant's use of the Mark and the affidavit discusses the Applicant's date of first use, I will draw the requested inferences to the Applicant's refusal of questions which put the date of first use in issue including the following:

[Q147] Mr. Giusti, when did David Walker join your company?

[Q148] Who is David Walker?

[Q149] Is he still with your company?

[Q154] ... The paragraph reads - - and I'll quote: (as read)

“When I met him, he had all these vineyards, recalls Walker. I asked him where he was selling his wine, and he said ‘nowhere!’ Because he's a farm kid and a builder, he bought the property first and didn't really

think about how to sell the wine. Now that's Walker's job, developing Giusti Wines and bringing its story to light and its wines to market."

Do you see that?

[Page 77, Line 3] In this article dated April 9, 2015, there is a paragraph in the middle of the second page that starts – or the third page: (as read)

"Seven Canadians worked directly for Giusti wines," and I'm quoting, "One is David Walker, a well-known Calgary sommelier, whose previous gigs include being the wine director at the Fairmont Banff Springs, and as well as a proprietor of the former 100 Wines by David Walker wine store. Walker and Giusti met by chance, after a fellow wine lover gave [Walker] Giusti Brut Prosecco. Walker was smitten with the quality and tracked Giusti down in his Calgary office. 'I was struck by his energy and enthusiasm,' Walker says. Do you see where it says that, Mr. Giusti?

[160] All right. Does that help you remember who Mr. Walker is?

[Q161] ... later in that article, there is a paragraph that begins, "The Giusti wine team is lead by." The last sentence of that paragraph says: (as read)

"The wines have only been for sale since August 2014, but the Canadian market is the priority, says Giusti and his team."

[Q162] So, Mr. Giusti, I'm suggesting to you that the date of first sale in Canada is August 2014?

Preliminary Issue – Objection to Reply Evidence

[12] Proper reply evidence responds directly to points raised in an applicant's evidence which are unanticipated. It should not include evidence which could have been filed as part of the opponent's evidence-in-chief [*Lemon Hart Rum Co v Bacardi & Co*, 2015 TMOB 75 at para. 22; *Halford v Seed Hawk Inc*, 2003 FCT 141 (FCTD) at paras 14-15]. Section 54 of the *Trademarks Regulations*, SOR/2018-227, permits the filing of reply evidence [see also section 43 of the *Trade-marks Regulations*, SOR/96-195, which states that reply evidence must be strictly confined to matters in reply]. The Opponent's reply evidence concerning that Giusti is a surname and the copies of articles marked for identification in the cross-examination are not admissible because it is not proper evidence in reply. This is evidence which is directed to a matter raised

for the first time in cross examination and ought to have been part of the case in chief [*Halford v Seed Hawk, supra*, at paras. 14-15].

Onus

[13] An applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on an opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Section 12(1)(a) Ground of Opposition

[14] The Opponent pleads that the Mark is not registrable because the Mark consists primarily merely of a surname.

[15] The material date to assess this ground of opposition is the filing date of the application, [*Jurak Holdings Ltd v Matol Biotech Laboratories Ltd* (2007), 64 CPR (4th) 195 (TMOB) affd 2008 FC 1082].

[16] In *Jurak Holdings Ltd (TMOB)*, the Registrar summarized the test under section 12(1)(a) at para 16:

The leading cases on the issue of non-registrability of a trade-mark consisting of primarily merely the name or surname of an individual who is living or has died in the preceding thirty years are *Canada (Registrar of Trade-marks) v Coles Book Stores Ltd*, [1974] SCR 438, 4 CPR (2d) 1, *Gerhard Horn Investments Ltd v Registrar of Trademarks* (1983), 73 CPR (2d) 23 (FCTD) and *Standard Oil Co v Canada (Registrar of Trade Marks)*, [1968] 2 Ex CR 523, 55 CPR 49. As set out in those cases the test under s. 12(1)(a) is two-fold:

- 1) The first and foremost condition is whether the Mark is the name or surname of a living individual or an individual who has recently died;
- 2) If the answer to the first question is affirmative, then the Registrar must determine if in the mind of the average Canadian consumer the Mark is "primarily merely" a name or surname rather than something else.

[17] The Mark consists of the Applicant's surname Giusti and the word PROSECCO, which is a type of wine. In view of this, I agree with the Applicant that the trademark as a whole is not contrary to section 12(1)(a) of the Act because in its entirety, it is not primarily merely a name or surname [*Molson Cos. v John Labatt Ltd.*, 1981 CanLII 2786 (FC)]. The fact that the word PROSECCO is descriptive does not render the Mark unregistrable pursuant to section 12(1)(a) of the Act. A trademark which is the combination of a surname and descriptive term is registrable [*Molson Cos, supra*]. The ground of opposition based upon section 12(1)(a) of the Act is therefore rejected.

Distinctiveness Ground of Opposition

[18] The Opponent's distinctiveness ground of opposition is:

... the [Mark] is not, and at all material times, has not been and could not be, distinctive of the Goods of the Applicant. For example, having regard to Section 2 of the Act, the [Mark] – being confused with, or likely to be confusing with, the [Opponent's Trademarks] ... which have been extensively and continuously used or made known in Canada since well before January 25, 2013 filing date of the Application – is not adapted to and does not distinguish the Goods of the Applicant from the goods, services and business of others.

[19] The material date with respect to a distinctiveness ground of opposition is the date of filing of the opposition, October 20, 2015 [*Metro-Goldwyn-Mayer Inc. v Stargate Connections Inc.* (2004), 34 CPR (4th) 317 (FC)].

[20] The legal onus is on an applicant to show that the Mark is adapted to distinguish or actually distinguishes its services from the services of others throughout Canada [*Muffin Houses Incorporated v The Muffin House Bakery Ltd.* (1985), 4 CPR (3d) 272 (TMOB)]. However, there is an evidential burden on an opponent to prove the allegations of fact supporting its non-distinctiveness ground of opposition. According to *Bojangles' International LLC v Bojangles Café Ltd.* (2006), 48 CPR (4th) 427 (FC) at para 33, an opponent's mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient.

[21] The Opponent's evidence comes from Ms. De Giusti, the Managing Director of the Opponent. The Opponent is a family business that operates a chain of well-known cafés in Italy (para 2).

- The Opponent has adopted and used the trademark DE GIUSTI on products, such as wine, beers, non-alcoholic drinks, fruit drinks and juices, distilled drinks and services for providing food and drink, selling food and beverages since at least as early as 2008 (para 5).
- The trademark DE GIUSTI and stylized versions of this trademark are registered in a number of countries including United States, the European Union, and Italy (Exhibit A).
- The total volume sales of prosecco wine sold under the trademark DE GIUSTI are set out in Exhibit C and shows sales in AT, AUS, BIH, CH, CHN, CZ, DE, ES, HU, IT, KOR, MON, RO, SRB, TWN, LBN, and USA. Canada is not included as a country where there have been any sales.
- The Opponent maintains an online presence on the manuelcaffe.it website, the degiusti.eu website, on Facebook and YouTube where the trademark DE GIUSTI is featured in association with wine (para 7, Exhibit E). While Ms. De Guisti indicates that these websites are available in Canada, there is no evidence that they have been viewed by any Canadians.
- The Opponent has invested considerable sums in the advertising and promotion of the DE GIUSTI brand in Europe and elsewhere including in periodicals (Exhibit F). There is no evidence that any of the periodicals have been circulated in Canada.
- The Opponent has commenced an opposition in the European Union against a similar application filed by a company controlled by the Applicant and its observations are attached as Exhibit D. I see nothing in these observations or the filing of the opposition which is relevant to this opposition.

- Italy is the number one producer and exporter of wine – the volume of wine imported into Canada in 2014 from this country was 384.9 million litres (paras 11, 12). Ms. De Guisti states the following:

Among consumers of wine, including those Canadians who travel to Europe or the US that consume wine from Italy, the DE GIUSTI mark has become well known. For the foregoing reasons, the DE GIUSTI mark has been made known in Canada, having regard to all the surrounding circumstances.

The Opponent, however, has not filed any evidence to substantiate Ms. De Guisti’s claims that Canadians who have travelled to Europe or US or consume wine from Italy would be aware of the DE GIUSTI trademark.

The Opponent Fails to Meet its Evidential Burden

[22] The Opponent has not established that any of its trademarks have a sufficient reputation amongst Canadians to negate the distinctiveness of the Mark. There is no evidence that the Opponent’s wines or other alcoholic beverages with “De Giusti” on the label have been sold in Canada (Q209). There is no evidence as to the familiarity in Canada of the Opponent’s foreign use of the Opponent’s trademarks. As the Federal Court stated in paragraph 33 of *Bojangles*, “a foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather, it should present clear evidence to that effect.” Accordingly, this ground of opposition is rejected as the Opponent has failed to meet its initial evidential burden for this ground of opposition.

Section 16(1)(a) Ground of Opposition

[23] The Opponent pleads that the Applicant is not the person entitled to registration of the Mark having regard to section 16(1)(a) of the Act because, at the Applicant’s date of first use of the Mark, the Mark was confusing with the Opponent’s DE GIUSTI trademarks used and made known in Canada.

[24] The material date for assessing the likelihood of confusion under this ground is December 20, 2012.

[25] In order to meet its evidential burden, the Opponent must show that it had used or made known one or more of its trademarks in Canada prior to December 20, 2012 and had not abandoned this trademark as of May 20, 2015 [see section 16(5)].

[26] Section 5 of the Act explains what is required in order for a mark to have been “made known”:

5. A trademark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with goods or services, and
- (a) the goods are distributed in association with it in Canada, or
 - (b) the goods or services are advertised in association with it in
 - (i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the goods or services, or
 - (ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services,
- and it has become well known in Canada by reason of the distribution or advertising.

Opponent Fails to Meet its Evidential Burden with Respect to Use in Canada

[27] The Opponent has not provided sufficient facts in order for me to conclude that use has been shown pursuant to section 4 of the Act. The Opponent does not provide any evidence of sales to customers in Canada.

Opponent Fails to Meet its Evidential Burden with Respect to Making Known

[28] To meet its evidential burden, the Opponent must evidence that prior to December 20, 2012 that:

1. one of its marks was used in another country of the Union;
2. its products were distributed in Canada or advertised through printed publications or radio as set out in section 5; and
3. such mark had become well known in Canada by reason of such distribution or advertising (which requires that a substantial area of Canada must know the mark [see *Marineland Inc. v Marine Wonderland and Animal Park Ltd.* (1974), 16 CPR (2d) 97 (FCTD)]).

[29] While Ms. De Giusti has not provided evidence of distribution of the Opponent's goods in Canada or radio broadcasts or advertisements in printed publications that circulate in Canada, she does provide evidence of the Opponent's online presence on the manuelcaffe.it website, the degiusti.eu website, on Facebook, and on YouTube. At the hearing, the Opponent submitted that it had satisfied its evidential burden through this online evidence pointing out that online advertising is the modern equivalent of print and radio advertising. However, such online use cannot satisfy the requirements of making known [*HomeAway.com, Inc. v Hrdlicka*, 2012 FC 1467 at para 30]. Even if I had accepted that it could, there is no evidence that any of the Opponent's trademarks are well known in Canada as a result of this advertising. Accordingly, this ground of opposition is rejected as the Opponent fails to meet its initial evidential burden.

Section 30(b) Ground of Opposition

[30] The Opponent pleads that:

The application does not conform to the requirements of section 30(b) of the Act because the Applicant did not use the [Mark] in Canada since the claimed date of first use, namely, December [20], 2012.

[31] Section 30(b) requires that there be continuous use of the applied-for trademark in the normal course of trade from the date claimed to the filing date of the application [*Benson & Hedges (Canada) Ltd v Labatt Brewing Co* (1996), 67 CPR (3d) 258 (FCTD) at 262].

[32] The legal onus is on an applicant to show that its application complies with section 30(b) of the Act. To meet its evidential burden, an opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [*John Labatt Ltd, supra*]. An opponent's burden is, however, lighter with respect to the issue of non-compliance with section 30(b) because the facts supporting use of a trademark are particularly within the knowledge of an applicant [*Tune Masters v Mr. P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89]. An opponent may also show that an applicant's evidence is clearly inconsistent with the claimed date of first use or raises doubt as to its veracity [*Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 33-38].

The Opponent Meets its Evidential Burden

[33] The adverse inferences drawn during the cross-examination of Mr. Giusti are sufficient to meet the Opponent's initial evidential burden. Specifically, Mr. Giusti's refusal to answer proper questions concerning the date of and scope of use of the Mark and contrary reports that the use of the Mark hadn't commenced before 2014 are sufficient for the Opponent to meet its initial evidential burden.

The Applicant Meets its Legal Onus

[34] The Applicant's evidence is sufficient to meet its legal onus even in view of its refusal to answer questions on cross-examination:

- Mr. Giusti includes an invoice from Società Agricola Giusti Dal Col S.r.l. to Rheingold Agents, c/o Alberta Gaming & Liquor Commission dated October 16, 2012 which he identifies as showing the sale of 1577 cases (of 6 bottles each) of GIUSTI PROSECCO wine which was sold to Alberta Gaming & Liquor Commission for distribution (para 4, Exhibit A). During his cross-examination, Mr. Giusti states that he and his wife own all of the shares of Società Agricola Giusti Dal Col S.r.l. and he is a director of this entity (Qs10-15). As such, I find that the use by Società Agricola Giusti Dal Col S.r.l. enures to the Applicant.
- Mr. Giusti includes picture of bottles of GIUSTI PROSECCO with the Mark on the label having been consumed at a Christmas party in Calgary, Alberta in December of 2012 (para 5). At his cross-examination, Mr. Giusti submits that the bottles were at a Christmas party for "the group of companies" (Qs165-169). Mr. Giusti also confirms that the labelling of the bottles has been the same since the product was launched (Q74).

[35] Given the volume of sales to the agent, the Applicant has met the legal onus of demonstrating use as of the date claimed. While the invoice notes that 30 cases are "SAMPLE NOT FOR SALE", the remaining 9000 or so bottles of prosecco have a unit value of 8.00 €. I therefore infer that these bottles are not samples or token sales.

[36] The law is clear that the use of a trademark at any point along the chain of distribution is sufficient to demonstrate use as defined in section 4 of the Act, and that such use will accrue to the benefit of the owner provided that the goods bearing the trademark originate from the owner [*Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Osler, Hoskin & Harcourt v Canada (Registrar of Trade-Marks)*, (1997), 1997 CanLII 5927 (FC), 77 CPR (3d) 475 (FCTD); *Malcolm Johnston & Associates v A & A Jewellers Ltd* (2000), 2000 CanLII 15759 (FC), 8 CPR (4th) 56 (FCTD)].

[37] Here there is evidence of sales from the Società Agricola Giusti Dal Col S.r.l. to Rheingold Agents on October 16, 2012. On cross-examination, Mr. Giusti explains that Rheingold Agents is the importer and the liquor board sells to consumers (Qs128-134). While it is not altogether clear from the transcript whether the prosecco was shipped October 16, 2012 or in December, 2012 (Qs137-146), I don't find this is significant to the case.

[38] This is sufficient to evidence transfer of the property in Canada as the goods were delivered to the transporters in another country and delivery in Canada has been completed [*Ridout v Hj Heinz Company Australia Ltd.*, 2014 FC 442]. In the circumstances where an invoice has been provided showing sale of a considerable number of bottles for over 80,000 € to an importer for sale by the liquor board and an adverse inference has been drawn to questions on cross-examination, I do not find that the adverse inferences drawn during the examination mean that on a balance of probabilities the Applicant had not evidenced use of the Mark as of the date claimed. In so finding, I note that the articles discussing Mr. Walker joining GUISTI WINES and sales beginning in 2014, are not included in the evidence in this opposition.

[39] As the Applicant has met his evidential burden, I reject this ground of opposition.

Disposition

[40] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: May 10, 2022

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