



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2025 TMOB 85

**Date of Decision:** 2025-03-31

## **IN THE MATTER OF AN OPPOSITION**

**Opponent:** CC US Intermediate Holdings LLC

**Applicant:** Molson Coors Non-Alc LLC

**Application:** 1905387 for CLEARLY KOMBUCHA

## **OVERVIEW**

[1] This is an opposition proceeding in respect of the application to register the trademark CLEARLY KOMBUCHA (the Trademark) in association with the goods in Nice classes 30 and 32 set out below:

CI 30 (1) Beverages made of tea; iced tea; tea-based beverages; tea-based beverages with fruit flavouring

CI 32 (2) Energy drinks; sports drinks, namely, energy drinks

[2] For the reasons that follow, the opposition is successful.

## **THE RECORD**

[3] On June 20, 2018, Molson Coors Non-Alc LLC (the Applicant) filed application No. 1905387 (the Application) to register the Trademark.

[4] The Application was advertised for opposition purposes in the *Trademarks Journal* of June 1, 2022.

[5] On June 16, 2022, Clearly IP Holdings SRL, the predecessor-in-title to CC US Intermediate Holdings LLC (the Opponent), opposed the Application by filing a statement of opposition pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). A number of the grounds of opposition raised by the Opponent rely on the allegation of likely confusion between the Trademark and the Opponent's CLEARLY-formative trademarks, registered for use in association with non-alcoholic beverages such as soft drinks, carbonated and uncarbonated water, fruit-flavoured water, and fruit juices.

[6] The Applicant filed a counter statement indicating its intent to respond to the opposition.

[7] In support of its opposition, the Opponent filed an affidavit of Claudette Halluk sworn on August 11, 2023, together with Exhibits A to G (the Halluk Affidavit); and, as reply evidence, an affidavit of Sandro Romeo sworn on January 15, 2024, together with Exhibit SR-1 (the Romeo Affidavit).

[8] In support of its application, the Applicant filed an affidavit of Jane Buckingham sworn on November 10, 2023, together with Exhibits A and B (the Buckingham Affidavit); and an affidavit of Cole Wilde sworn on December 14, 2023, together with Exhibits CW-1 to CW-23 (the Wilde Affidavit).

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

**STATEMENT OF OPPOSITION ON RECORD**

[10] The statement of opposition was amended twice in this proceeding.

[11] First, on November 25, 2022, Clearly IP Holdings SRL filed a request for leave to amend the statement of opposition pursuant to section 48 of the *Trademarks Regulations*, together with a copy of the proposed amended statement. The amendment was requested to add 12 trademark registrations to the four already listed at Schedule A of the original statement of opposition. The applications to register those additional trademarks were filed after June 20, 2018 (*i.e.* after the filing date for the Application), and matured to registration after June 16, 2022 (*i.e.* after the filing date of the statement of opposition). By way of letter dated January 13, 2023, the Registrar granted leave to amend the pleading and the amended statement of opposition was made of record.

[12] On January 15, 2024, the Opponent sought to further amend its statement of opposition, this time to update the name of the Opponent. The Opponent again filed a request for leave to amend, along with a copy of a further amended statement of opposition. By way of letter dated March 18, 2024, the Registrar granted the Opponent leave to amend its pleading and the January 15, 2024 statement of opposition was made of record. Importantly, Schedule A attached to the further amended statement of opposition did not include the 12 additional trademark registrations that were the subject of the first amended version of the statement of opposition.

[13] The above discrepancy was raised at the hearing. The Applicant expressed the view that the Opponent was bound by its most recently filed statement of opposition. In response, the Opponent agreed to proceed on that basis and to only rely on the four trademark registrations listed at Schedule A of the most recent statement of opposition.

[14] A little over a week after the conclusion of the hearing, the Opponent wrote to the Registrar to “clarify and confirm the change that was requested” in the most recent amendment. In an apparent reversal of

position, the Opponent explained that the purpose of the most recent amendment was to update the identification of the Opponent, that this change was highlighted by the Opponent in its request for leave, and that there was no reference to any other changes. According to the Opponent, Schedule A filed on November 25, 2022 should therefore be considered of record. The Applicant objected to the Opponent's request, highlighting that the issue was discussed at the hearing, that the Opponent's concession at the hearing is binding, and that to the extent the Opponent's request is treated as a request for leave to further amend the pleading, this request should be denied.

[15] I agree with the Applicant. The January 15, 2024 version of the statement of opposition is the version which has been made of record. More importantly, the Opponent confirmed at the hearing that the parties could proceed with the version of Schedule A included in that statement of opposition. As a matter of procedural fairness, it is difficult to reconcile the Opponent's change of position after the hearing with the Applicant's right to a fair hearing.

[16] Even if I were to consider the Opponent's post-hearing correspondence as a request for leave to amend the statement of opposition, for the reasons that follow, I consider that such a request must be denied.

[17] To begin, the request comes at the most advanced stage of the proceeding. While no explicit reasons have been brought forward to explain why the request was not made earlier, I find it reasonable to infer that the need for the amendment was not discovered until the issue was raised at the hearing. Next, it is not clear that the amendment is an important one: the 12 additional trademarks do not resemble the Trademark any more closely than the four previously-pleaded trademarks, and the Opponent did not evidence its use of the 12 additional marks. Consequently, I consider that

the prejudice which will be suffered by the Applicant (who not only relied on the statement of opposition of record in preparing its written submissions, but also on the Opponent's concession at the hearing in making its oral representations), far outweighs the prejudice suffered by the Opponent.

[18] On balance, I find that it is not in the interests of justice to grant a request for leave to amend the statement of opposition. Accordingly, I consider the January 15, 2024 statement of opposition to be of record in this proceeding. The grounds of opposition relying on trademarks identified in Schedule A are limited to those trademarks listed in the January 15, 2024 version of that schedule, namely the word marks CLEARLY and CLEARLY CANADIAN, and the design marks CLEARLY and CLEARLY CANADIAN (reg. Nos. TMA1099009, TMA357731, TMA1099010, and TMA408558, respectively), to which I will collectively refer as "the Opponent's Marks" in this decision. The particulars of the Opponent's Marks are set out in the Schedule to this decision.

#### **EVIDENTIAL BURDEN AND LEGAL ONUS**

[19] In an opposition proceeding, an opponent has the initial burden of establishing the merits of its opposition. In particular, the opponent must ensure that each of its grounds of opposition is properly pleaded and must meet an initial evidential burden by establishing the facts on which it bases each ground.

[20] Once the opponent's initial burden is met, the onus falls on an applicant to establish, on a balance of probabilities, that none of the pleaded grounds presents an obstacle to registering the trademark in question [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298, 1990 CanLII 11059; *Dion Neckwear Ltd v Christian Dior, SA*, 2002 FCA 29].

## **EVIDENCE SUMMARY**

[21] I have briefly summarized the parties' evidence below. I will return to each affidavit where relevant in my reasons.

### ***Opponent's Halluk Affidavit***

[22] Ms. Halluk describes the Opponent as "a corporation organized and existing under the laws of Delaware" and having a place of business in Pittsburgh, Pennsylvania [para 1]. Ms. Halluk states that she has "held the position of Chief Financial Officer of various Clearly Canadian entities, including Opponent and the predecessor in title, Clearly IP Holdings SRL, since July 2021" [para 2].

[23] In her affidavit, she provides evidence regarding the business of the Opponent, including the use of its trademarks and the Opponent's promotion of its brand.

[24] I take this opportunity to note that, in her affidavit, Ms. Halluk occasionally references trademarks listed at Schedule A of the statement of opposition (e.g. at paragraph 4 of the Halluk Affidavit: "The Opponent is the owner of the trademark registrations listed in Schedule 'A' of the Amended Statement of Opposition"). I understand that such statements are referencing the November 25, 2022 version of Schedule A, which includes the Opponent's Marks along with 12 other registered trademarks that comprise the term CLEARLY.

### ***Opponent's Romeo Affidavit***

[25] Mr. Romeo is a research analyst for CompuMark, an intellectual property research firm. His affidavit includes the results of a "Tailored Services Dilution search" of the Canadian Intellectual Property Office (CIPO) Trademarks Register for active trademarks containing the term CLEARLY in association with the goods "drinks" and "cocktails".

***Applicant's Buckingham Affidavit***

[26] Ms. Buckingham is a trademark searcher employed by the Applicant's agent firm. Her affidavit includes the results of her search of the CIPO Trademarks Register via a third-party database to retrieve all registered, allowed, and advertised trademarks consisting of, or containing the element, CLEAR and CLEARLY, alone or in combination with other word or design elements, and indexed in Nice classes 32 and/or 33, but excluding trademarks in the name of the Opponent.

***Applicant's Wilde Affidavit***

[27] Mr. Wilde is an articulated student employed by the Applicant's agent firm. His affidavit consists of results from online searches he conducted, and purport to establish marketplace use of the trademarks located by Ms. Buckingham in her search of the Trademarks Register, as well as other trademarks not located by Ms. Buckingham.

**REASONS**

[28] At the hearing, the Opponent indicated that it is not pursuing the following grounds of opposition as there is no evidence on record to meet its burden:

- the section 38(2)(a) ground alleging non-compliance with section 30(2)(a) of the Act because the Application does not contain a statement in ordinary commercial terms of the specific goods in association with which the Trademark is used or proposed to be used;
- the section 38(2)(c) ground alleging non-entitlement to register in view of section 16(1)(c) of the Act because the Trademark was confusing with the Opponent's previously used trade name "Clearly IP Holdings, SRL"; and

- the section 38(2)(e) ground alleging that the Applicant was not using and did not propose to use the Trademark.

[29] The Opponent maintains the grounds of opposition essentially relying on its previously used and registered trademarks, that is, the Opponent's Marks.

***Non-entitlement to register in view of section 16(1)(a) of the Act***

[30] Pursuant to section 38(2)(c) of the Act, the Opponent pleads that the Applicant is not the person entitled to registration of the Trademark in view of section 16(1)(a) of the Act because, at the date of filing, the Trademark was confusing with each of the Opponent's Marks, as well as confusing with the family of marks consisting of the Opponent's Marks, which were previously used in Canada by the Opponent or its predecessors-in-title, and had not been abandoned as of the advertisement date of the Application.

[31] The material date for assessing section 16 grounds of opposition is the filing date of the subject application or the date of first use of the subject trademark in Canada, whichever is earlier. To meet its initial evidential burden, an opponent must evidence that it used its trademark in association any of the pleaded goods prior to that material date and that it had not abandoned that trademark at the date of advertisement of the subject application [section 16(3) of the Act].

[32] The Application is based on proposed use in Canada and the Applicant has filed no evidence of trademark use. Accordingly, the material date is the filing date of this Application, namely June 20, 2018.

The Opponent's evidence of trademark use

[33] Use of the Opponent's Marks is evidenced in the Halluk Affidavit.



*Display of the Opponent's design marks constitutes display of its word marks*

[34] I pause here to comment on the trademarks shown in the affidavit. In particular, the Halluk Affidavit includes images depicting product bottles bearing the CLEARLY and CLEARLY CANADIAN design marks (TMA1099010 and TMA408558, respectively) referenced above and reproduced below.



[35] It is well established that use of a word mark can be supported by the use of that mark in any stylized form and in any colour [see *Stikeman, Elliott v Wm Wrigley Jr Co* (2001), 14 CPR (4th) 393, 2001 CanLII 62728 (TMOB)], and by the use of a composite mark featuring the word mark together with other elements [see, for example, *Lion Global Investors Ltd v Lion Capital LLP*, 2012 TMOB 252 at para 17; for a thorough discussion of the general principles that govern the test for deviation see *Promafil Canada Ltée v Munsingwear Inc* (1992), 4 CPR (3d) 59, 1992 CanLII 12831 (FCA); *Registrar of Trade-marks v Cie international pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523, 1985 CanLII 5537 (FCA); and *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535, 1984 CanLII 5914 (TMOB)].

[36] Given that the word marks CLEARLY and CLEARLY CANADIAN are preserved in their entirety and remain recognizable in their respective design mark versions, I am satisfied that display of each design mark also amounts to display of the related word mark. As such, in my review of the Halluk Affidavit below, I will refer to the CLEARLY trademark and CLEARLY CANADIAN trademark to mean the word and design marks together.

### *Evidenced transfers*

[37] Ms. Halluk asserts that the CLEARLY and CLEARLY CANADIAN trademarks have been used in Canada since at least 2017 and 1989, respectively [para 6]. Ms. Halluk states that the CLEARLY CANADIAN trademark is displayed on product bottles and the CLEARLY trademark appears on bottle caps; her affidavit includes images showing the marks displayed on bottles and caps as she describes [para 6, Exhibits B to E].

[38] Though Ms. Halluk refers to “soft drinks, flavoured, non-flavoured, carbonated and uncarbonated water” in her affidavit [para 3], the products shown therein are limited to flavoured and non-flavoured carbonated water:



[39] Regarding channels of trade, Ms. Halluk states that the Opponent’s products are sold on its own website located at *clearlycanadian.com* [para 7]. Ms. Halluk provides printouts of archived versions of that website [Exhibit B]. The earliest printouts showing products available for purchase are dated in 2014 – they promote a “revival campaign” whereby customers are invited to pre-order cases of Clearly Canadian carbonated water to revive production once 25,000 cases are sold.

[40] In addition, Ms. Halluk states that the Opponent’s products are also sold in Canada and the United States through online sellers such as *amazon.ca* and *instacart.ca*, and in retail stores such as Sobeys, Safeway,

Thrifty Foods, 7-Eleven, Shoppers Drug Mart, London Drugs, WinnDixie, Meijer, and “other major grocery store locations” [para 8].

[41] Ms. Halluk asserts that the Opponent’s goods have “generated billions of dollars in sales” and provides sales revenues, which she describes as being “during the time the Opponent has been the owner of the marks” [para 13]. The evidenced annual revenues grow from \$176,000 in 2016 to over \$29 million in 2022, totalling over \$80 million.

[42] As for direct evidence of transfers, Ms. Halluk provides four invoices that she describes as “showing sales in the normal course of trade from Clearly Food and Beverage Co. Ltd. to Canadian retailers” [Exhibit G]. The exhibited invoices evidence sales of flavoured sparkling water by Clearly Food and Beverage Co. Ltd. to customers located in Canada between August 10, 2018 and April 22, 2021.

[43] I note here that there is no indication that the revenue figures provided by Ms. Halluk include Canadian sales. Considering that the Halluk Affidavit evidences sales in both Canada and the United States, that the Opponent is based in the United States, and in view of the fact that the Opponent has provided no invoices pre-dating the filing date of the Application, I am not prepared to accept the revenue figures as sufficient evidence to establish sales in Canada prior to the earliest exhibited invoice.

[44] Nevertheless, in view of the evidenced invoices and images of the Opponent’s products bearing the Opponent’s Marks, I find that the Opponent has shown sales in Canada of carbonated water bearing the Opponent’s Marks since August 10, 2018.

*Use enuring to the benefit of Opponent*

[45] In its submissions, the Applicant essentially argues that the Opponent has failed to establish that the Opponent benefits from the use of the

Opponent's Marks by other corporate entities referenced in the Halluk Affidavit [Applicant's written representations, paras 7 to 9].

[46] I will first note that, in the last decade, the Registrar has recorded the following changes in ownership for the Opponent's Marks. The CLEARLY CANADIAN trademark registrations were assigned from The Clearly Food & Beverage Company, Inc. to Clearly IP Holdings, SRL in 2015, and then to the Opponent in February 2023. The CLEARLY trademark registrations, initially standing in the name of Clearly IP Holdings, SRL, were assigned to the Opponent in February 2023. I also note that the Opponent's second request to amend the statement of opposition is a result of the assignment of rights to the Opponent in 2023.

[47] Although the Halluk Affidavit was sworn after the assignments to the Opponent, many statements referencing "the Opponent" actually pertain to the period of time before those changes in ownership. Such statements include the description of CLEARLY CANADIAN-formative trademark applications filed in 2021 [para 5], of a "Restaurant Recovery Initiative" initiated during the pandemic in 2020 [para 12], and of oppositions filed prior to 2023 against trademark applications in the name of the Applicant [para 14].

[48] Likewise, the evidenced annual revenue figures described by Ms. Halluk as being "during the time the Opponent has been the owner of the marks" [para 13] are provided for the period of time between 2016 and 2022, that is, when Clearly IP Holdings, SRL owned the marks. Notably, Ms. Halluk specifically explains in the same paragraph that "[r]evenue numbers for time the marks [*sic*] had been used by the Opponent's predecessor-in-title are not available." In other words, Ms. Halluk's references to the Opponent's "predecessor" appear to relate to a time prior to the assignments to Clearly IP Holdings, SRL.

[49] In view of the above, it is apparent that Ms. Halluk could have more carefully distinguished between the Opponent and its predecessors in her statements. It may be that, as a result of her positions as Chief Financial Officer of both the Opponent and Clearly IP Holdings, SRL, Ms. Halluk has conflated the two entities. Ms. Halluk may have likewise conflated the Opponent with its predecessor at paragraph 3 of her affidavit, where she describes the relationship between the seller identified on the Exhibit G invoices and the Opponent.

[50] Specifically, Ms. Halluk explains that Clearly Food and Beverage Co. Ltd. manufactures and sells *the Opponent's* CLEARLY-branded products under licence, subject to *the Opponent's* control over the character and quality of those goods. Having said that, even if I were prepared to infer that Ms. Halluk's assertion regarding the Opponent's control also extends to its predecessor (such that trademark use by Clearly Food and Beverage Co. Ltd. enures to the benefit of the Opponent within the meaning of section 50 of the Act), the Opponent would have only evidenced trademark use in Canada since August 10, 2018.

[51] Accordingly, the Opponent has not met its initial evidential burdens to establish use of any of the pleaded trademarks prior to the material date of June 20, 2018, and the section 16(1)(a) grounds of opposition are rejected.

***Non-entitlement to register in view of section 16(1)(b) of the Act***

[52] Pursuant to section 38(2)(c) of the Act, the Opponent pleads that the Applicant is not the person entitled to registration of the Trademark in view of section 16(1)(b) of the Act because, at the date of filing, the Trademark was confusing with the Opponent's word mark CLEARLY and design mark CLEARLY, in respect of which trademark applications had been previously filed.

[53] The pleaded applications matured to registration No. TMA1099009 and registration No. TMA1099010 on April 27, 2021. As the pleaded applications were no longer pending on June 1, 2022 when the Applicant's Application was advertised, the Opponent is not permitted to rely on those applications for a ground of opposition under section 16(1)(b) [*per* section 16(2) of the Act]. The section 16(1)(b) grounds of opposition are therefore rejected for being invalidly pleaded.

***Non-registrability in view of section 12(1)(d) of the Act***

[54] Pursuant to section 38(2)(b) of the Act, the Opponent pleads that the Trademark is not registrable in view of section 12(1)(d) of the Act, because it is confusing with the Opponent's CLEARLY CANADIAN word and design marks (Nos. TMA357731 and TMA408558, respectively), both registered for use in association with the following goods in Nice class 32: "Soft drinks, water, flavoured, non-flavoured, carbonated and uncarbonated mineral water and fruit juices, spring water, bottled drinking water".

[55] I have exercised the Registrar's discretion to confirm that the Opponent's pleaded registrations are in good standing as of today's date, which is the material date for assessing this ground. The Opponent has therefore discharged its evidential burden. Thus, it is the Applicant's onus to establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Trademark and each of the Opponent's registered marks.

Test for confusion

[56] The test for confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those

trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification. Therefore, section 6(2) of the Act does not deal with confusion between trademarks themselves, but with the likelihood that the goods or services from one source will be perceived as being from another source.

[57] The likelihood of confusion must be assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Trademark, when they have no more than an imperfect recollection of the Opponent's trademark and do not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[58] When assessing the likelihood of confusion between the parties' trademarks, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods and services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive, and different weight will be given to each one in a context-specific assessment [see *Veuve Clicquot, supra*, at para 21; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54].

#### *Inherent distinctiveness and extent known*

[59] The parties' trademarks each possess some measure of inherent distinctiveness, limited as it may be by their somewhat suggestive nature evoking the idea, in the case of the Trademark, that the goods are obviously, self-evidently, or plainly kombucha, and in the case of the

Opponent's trademarks, that the goods are obviously, self-evidently, or plainly from Canada. I therefore consider the inherent distinctiveness of trademarks to be about the same.

[60] Before proceeding, I note here that I do not consider the CLEARLY CANADIAN design mark to have greater inherent distinctiveness than the CLEARLY CANADIAN word mark, as the design essentially consists of the two words being stacked one above the other in a relatively simple typeface and font style.

[61] I now turn to the second component of this factor: the extent to which the trademarks have become known through use and promotion.

[62] The Application was filed on the basis of proposed use in Canada and there is no evidence of use or promotion of the Trademark before me. The Applicant has therefore not evidenced any acquired distinctiveness in its Trademark.

[63] The Opponent's design mark registration claims use since at least as early as May 10, 1989, and its word mark was registered on the basis of a declaration of use filed on May 10, 1989. As noted in my above review of the Halluk Affidavit, the Opponent's trademark use evidence is weakened by the apparent conflation of the Opponent and its predecessor-in-title, and the unspecified Canadian component, if any, of the evidenced revenue figures. However, Ms. Halluk was not cross-examined, and a fair reading of the Halluk Affidavit as a whole supports the conclusion that the Opponent used its trademarks at least to some extent in Canada.

[64] The Halluk Affidavit also evidences some measure of promotion in Canada, including through traditional online and paper advertising and truck-side "mobile advertisements" in Toronto [paras 7 and 11]. Although much of the advertising evidence is undated, I note printouts from the



Opponent's website archived in 2014 [para 7, Exhibit B], and a Facebook social media post dated November 17, 2021 [Exhibit F].

[65] That said, I am not prepared to accept the Opponent's submission that its CLEARLY CANADIAN beverage is a "very well-known or iconic beverage" [Opponent's written representations at pages 3-4]:

The Opponent filed the affidavit of CLAUDETTE HALLUK, wherein Ms. Halluk provides a history of the company and print-outs of its web site dating back to 2014, and cited numerous popular culture references where the trademark CLEARLY CANADIAN was featured, including the television shows Seinfeld, Friends, and Sex And the City, in addition to sports celebrities STEVE NASH (Exhibit D). It is respectfully submitted that judicial notice can be given to the fact that these television shows and celebrities are well-known in Canada.

... It is respectfully submitted that the prominence of the CLEARLY CANADIAN trademark in popular culture makes it a very well-known or iconic beverage.

[66] In particular, the promotional efforts presented in the Halluk Affidavit such as Ms. Halluk's statement that "CLEARLY fans include international sports personalities including the NBA's Steve Nash and MLB's baseman Justin Morneau" [at para 10] and a screenshot of the Opponent's website showing CLEARLY CANADIAN beverages in scenes from Sex and the City and from Seinfeld [Exhibit D], are not sufficiently detailed to conclude that the Opponent's Marks have become very well-known, let alone iconic.

[67] On balance, given the equal inherent distinctiveness of the parties' marks and without evidence of use or making known of the Applicant's Trademark, this factor nominally favours the Opponent.

*Length of time the trademarks have been in use*

[68] As indicated above, whereas the Applicant has filed no evidence of trademark use, I have found the Opponent's evidence sufficient to establish at least some use of its CLEARLY CANADIAN word and design marks.

[69] Accordingly, this factor also nominally favours the Opponent.

*Nature of the goods, business, and trade*

[70] The Application essentially covers non-alcoholic beverages, such as beverages made of tea, tea-based beverages, and sports and energy drinks. The Opponent's registrations also cover non-alcoholic beverages, such as soft drinks, carbonated and uncarbonated water, and fruit juices.

[71] Though I note the Applicant's submission that the Opponent's registrations do not include energy drinks nor any other goods in Nice class 30, I find the nature of the parties' goods to be very similar. I make this finding irrespective of Nice classes. Furthermore, while I agree with the Applicant that "[t]here is no evidence that the Opponent's water and other goods would be sold in the same channels of trade as the Applicant's tea-based specialty kombucha beverages" [Applicant's written representations at para 16], there is also no evidence that they would not, and I find it reasonable to infer that stores selling the Opponent's beverages, such as grocery stores and drug stores, would be likely to also sell the Applicant's beverages.

[72] Accordingly, these factors favour the Opponent.

*Degree of resemblance in appearance or sound or in the ideas suggested*

[73] When considering the degree of resemblance, the trademarks must be considered in their totality. The appropriate test is not a side-by-side comparison but a matter of first impression of a consumer with an imperfect recollection of an opponent's trademark [*Veuve Clicquot, supra*, at para 20]. While the first word or syllable of a mark may in some cases prove the most important for the purpose of distinction, the preferable approach is to begin the confusion analysis by determining whether there is an aspect of each

trademark that is particularly striking or unique [*Masterpiece v Alavida Lifestyles Inc*, 2011 SCC 27 at para 64].

[74] The parties' trademarks are each made up of two dictionary words. The second word of each trademark is suggestive of the nature of the goods (*i.e.* kombucha) in the case of the Trademark, and of their place of origin (*i.e.* Canada) in the case of the Opponent's CLEARLY CANADIAN trademarks. Moreover, as noted above, I do not consider the lettering style of the Opponent's design mark to be particularly distinctive. I therefore find that the most unique or striking element in each of the parties' trademarks is also their shared first portion, namely the word CLEARLY.

[75] Considering the importance of the first portion of trademarks for the purpose of distinguishing, together with the trademarks' similar structure (*i.e.* the striking element *clearly* followed by another word), I find that there is a fair degree of resemblance between the parties' marks in both sound and appearance. Though the trademarks are less similar in terms of the idea they suggest, when all three aspects of the degree of resemblance are considered together, I find the parties' trademarks to be more alike than they are different.

[76] Accordingly, this important factor favours the Opponent.

*Additional surrounding circumstance – Opponent's family of marks*

[77] At page 5 of its written representations, the Opponent relies on Mr. Romeo's state of the register evidence to support its contention that the Opponent possesses a family of CLEARLY trademarks:

The Opponent's Affidavit of Sandro Romero [*sic*] proves that the Opponent possesses a family of trademarks since his search located 20 active trademarks that contained the term CLEARLY in association with drinks or cocktails, all of which belong to the Opponent, the only exception being the trademark CLEARLY KOMBUCHA owned by the Applicant currently under opposition.

[78] There is no presumption of the existence of a family of marks in opposition proceedings. A party seeking to establish a family of marks must establish actual use of more than one or two trademarks within the alleged family [*Arterra Wines Canada, Inc v Diageo North America Inc*, 2020 FC 508 at paras 41-43; *Techniquip Ltd v Canadian Olympic Assn* (1998), 145 FTR 59, 1998 CanLII 7573 (FCTD)].

[79] In this case, the Opponent has not evidenced trademark use beyond that of the CLEARLY and CLEARLY CANADIAN word and design marks. Given that each design mark would be sounded the same and suggests the same idea as its related word mark, the alleged family of trademarks essentially consists of the trademarks CLEARLY and CLEARLY CANADIAN, but it is well established that “two ... marks do not a family make” [for the same approach with respect to related design and word marks, see *Arterra Wines Canada, Inc v Diageo North America, Inc*, 2020 FC 508 at paras 42-43, citing *U L Canada Inc v Wells' Dairy, Inc*, 1999 CanLII 19471 (TMOB); see also *Now Communications Inc v CHUM Limited* (2003), 32 CPR (4th) 168, 2003 CanLII 71121 (TMOB) at para 35, for the principle that one word mark and one design version of the word mark is insufficient to create a family].

[80] In light of the above, I do not consider the Opponent’s Marks to constitute a family of marks that attracts a broader scope of protection for the Opponent. This surrounding circumstance does not assist the Opponent.

*Additional surrounding circumstance – No evidence of actual confusion*

[81] At paragraph 23 of its written representations, the Applicant briefly argues that the Opponent has provided no evidence of actual confusion.

[82] I acknowledge that an opponent’s failure to file evidence of actual confusion in the face of an extensive period of coexistence may in some cases result in a negative inference being drawn against that opponent.

However, there is no indication that the parties' trademarks have coexisted in the marketplace in this case. The absence of evidence of actual confusion is therefore not a relevant surrounding circumstance.

*Additional surrounding circumstance – State of the register and marketplace*

[83] At paragraphs 17 to 21 of its written representations, the Applicant submits that the Buckingham and Wilde Affidavits introduce state of the register and state of the marketplace evidence supporting a finding that confusion is not likely in this case.

[84] This type of evidence favours an applicant when it can be shown that the marks at issue contain a common feature which is also contained in a number of other marks in the same market; in such cases, consumers are accustomed to make fine distinctions between those marks by paying more attention to other features of the marks, and to distinguish them by those other features [*Polo Ralph Lauren Corp v United States Polo Association et al* (2000), 9 CPR (4th) 51 at 61, 2000 CanLII 16099 (FCA)].

[85] Inferences regarding the state of the marketplace may be drawn from such evidence in two situations: where a large number of relevant registrations are located, and/or there is evidence of common use in the marketplace of relevant third-party marks [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349, 1992 CanLII 14792 (FCA); *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at para 42]. Relevant third-party marks include those that (i) are registered; (ii) are for similar goods and services as the marks at issue, and (iii) include the shared feature or component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197 at para 38, aff'd 2017 FC 38].

[86] The parties in this case agree on the applicable law but disagree on its application. Specifically, the Applicant submits that *clearly* is an adverb

meaning “in a clear manner” or “it is clear” and, therefore, that all CLEAR- and CLEARLY-formative trademarks reported in the Buckingham Affidavit are relevant [Applicant’s written representations at para 22]. For its part, the Opponent considers only CLEARLY-formative trademarks to be relevant.

[87] Given that the shared component in this case is the term CLEARLY, I tend to agree with the Opponent that the presence of CLEAR-formative trademarks in the marketplace would likely not cause consumers to pay more attention to differences between the marks at issue here. However, even if I am incorrect in that assessment, for the reasons that follow, I am not satisfied that the Applicant’s evidence is sufficient to tip the scale in its favour.

[88] The Buckingham Affidavit identifies 29 registered third-party trademarks. Although they each incorporate the term CLEAR, many of them are irrelevant in that they do not include the term in a material way such that the existence of those marks would narrow the scope of protection afforded to the Opponent’s CLEARLY CANADIAN trademark. For example, it is difficult to see how the existence of trademarks consisting of a phrase such as THE CHOICE IS CLEAR (TMA388946), FREE AND CLEAR (TMA421584), and WHATEVER DRIVES YOU, MAKE IT LOUD AND CLEAR (TMA1071861) would cause consumers to pay more attention to the differences between the trademarks CLEARLY CANADIAN and CLEARLY KOMBUCHA. The same goes for coined marks containing the suffix -CLEAR such as SOCLEAR (TMA790186), and EVERCLEAR (TMA1124660).

[89] When asked at the hearing, the Applicant identified a dozen registered trademarks that it considers most relevant. These included the CLEARLY-formative ones, that is CLEARLY SMIRNOFF (TMA718750) and BE CLEARLY ORIGINAL (TMA721941), both standing in the name of Diageo North America Inc., along with a number of other marks consisting of or

comprising the word *clear* such as CLEAR (TMA777624), CLEAR CUT (TMA911921), CLEAR CHOICE CANADIAN WATER (TMA717855), TRUE CLEAR (TMA1106412), CLEARLABEL (TMA520558), and CANADA'S CLEAR CHOICE (TMA452345).

[90] I am mindful that the exact number of trademarks needed to establish common marketplace adoption of a shared component likely depends on the facts of a given case [*Hawke & Company Outfitters LLC v Retail Royalty Company*, 2012 FC 1539]. In this case, I am not persuaded that the number of relevant trademarks reported in Buckingham Affidavit justifies my drawing an inference regarding the state of the marketplace.

[91] In any event, it has been held that it is “not the quantity or sheer numbers that count but rather the quality of evidence showing actual use of the common [element] in the relevant industry in Canada” [*Eclectic Edge Inc v Gildan Apparel (Canada) LP*, 2015 FC 1332 at para 92]. On the topic of marketplace use, the Federal Court recently discussed the relevance of Trademark Register searches and noted that “[i]t remains very much unclear what inference may legitimately be drawn without evidence of the use made by third parties in the marketplace of a common element” [*Canada Bread Company, Limited v Dr Smood ApS*, 2019 FC 306 at para 61; see also *Eclectic Edge Inc v Gildan Apparel (Canada) LP*, 2015 FC 1332 at para 92].

[92] With that in mind, I now turn to the Wilde Affidavit.

[93] In his online searches, Mr. Wilde located 15 CLEAR- and CLEARLY-formative trademarks, including some located in Ms. Buckingham’s Trademarks Register search. Mr. Wilde provides printouts and screen captures of webpages displaying the trademarks in question, often in association with beverage products available for sale, including on the

website of the Liquor Control Board of Ontario (LCBO) [Exhibits CW-1 to CW-23].

[94] In my view, the Wilde Affidavit does not meaningfully assist the Applicant. I would first note that third-party website printouts are generally considered as hearsay and cannot be relied upon for the truth of their contents. Hearsay issues aside, even if I accept that the featured products were offered for sale at some point in time in Canada, there is no evidence establishing how long they were sold nor how much was sold. Ultimately, the printouts provided by Mr. Wilde have little value in establishing the extent to which Canadian consumers are aware of the products and trademarks featured on the webpages [see *Sally Beauty International, Inc v ADA International Beauty Inc*, 2015 TMOB 38 at para 25 for a similar conclusion regarding webpage printouts showing products offered for sale].

[95] In view of all of the above, I find that the Applicant's state of the register and state of the marketplace evidence is weak at best, and certainly insufficient to outweigh the other factors that I have found to favour the Opponent.

#### *Conclusion on confusion*

[96] Having considered all of the surrounding circumstances, I am left in a state of doubt as to whether an ordinary consumer with an imperfect recollection of the Opponent's CLEARLY CANADIAN trademark would, as a matter of first impression, conclude that the Applicant's CLEARLY KOMBUCHA goods originate from the Opponent. I note that, had the Opponent more clearly evidenced the use of its trademarks in Canada, I would have likely found conclusively in favour of the Opponent.

[97] That being said, considering the degree of resemblance resulting from the striking first portion shared by the parties' trademarks, together with the



similarities in the parties' goods and the potential for overlap in their channels of trade, I find that the probability of confusion between the parties' trademarks is at best evenly balanced between a finding of confusion and a finding of no confusion. Since the onus is on the Applicant to establish that its Application complies with the provisions of the Act, I must resolve that doubt against it.

[98] Consequently, the section 12(1)(d) ground of opposition succeeds with respect to the Opponent's registration Nos. TMA357731 and TMA408558.

***Remaining grounds of opposition***

[99] As the Opponent has succeeded under section 12(1)(d) with respect to two registrations, I will only briefly address the remaining grounds.

[100] First, with respect to the section 38(2)(a.1) ground of opposition, the Opponent essentially pleads that the Application constitutes a bad faith attempt to trade off the Opponent's reputation because the Applicant was aware of the Opponent's trademark and trade name rights. In respect of this ground, the Opponent indicated at the hearing that there was no evidence of "obvious bad faith", but submitted that the Opponent's Marks are public knowledge and that the Applicant "could not have come up with its Trademark except by copying [the Opponent's Marks]".

[101] The Applicant submits, and I agree, that the Opponent has adduced no evidence showing that, at the time of filing its Application, the Applicant was aware of the Opponent's relevant trade name and trademarks and that, in any event, mere knowledge of the existence of an opponent's trademark is not alone sufficient to support a section 38(2)(a.1) ground of opposition [*Blossman Gas Inc v Alliance Autopropane Inc*, 2022 FC 1794 at paras 119-129; see also *Norsteel Building Systems Ltd v Toti Holdings Inc*, 2021 FC 927 at paras 64-75 suggesting that an applicant's knowledge of another

party's trademark at the time of filing is alone not sufficient to demonstrate bad faith in the context of section 18(1)(e) of the Act, even if the trademarks are otherwise found to be confusing]. Accordingly, the section 38(2)(a.1) bad faith ground is rejected.

[102] Second, with respect to the section 38(2)(f) ground of opposition, the Opponent pleads that the Applicant was not entitled to use the Trademark in view of "the content of the present opposition", including "the knowledge of the Applicant of the rights of the Opponent as [alleged elsewhere in the statement of opposition]" and the unlawfulness of said use because such use would be contrary to sections 20, 22, and 7(b) of the Act.

[103] It is not clear that this ground of opposition is properly pleaded. The pleading appears to be implicitly shouldered by an allegation that the Trademark is confusingly similar to the Opponent's Marks. As correctly pointed out by the Applicant, section 38(2)(f) of the Act addresses an applicant's lawful entitlement to *use* the trademark, for example, in compliance with relevant federal legislation and other legal obligations prohibiting "use" of the trademark within the meaning of section 4 of the Act, as opposed to that applicant's entitlement to *register* the trademark. As such, the Registrar has consistently held that likely confusion with an opponent's trademark is not a fact that can alone support a non-entitlement to use ground of opposition [see, e.g., *Methanex Corporation v Suez International, société par actions simplifiée*, 2022 TMOB 155 at paras 82-83; and *SS Athletics Inc and Toatee Limited*, 2023 TMOB 103 at para 52]. The Opponent made no specific representations shedding light on the factual bases underlying this ground of opposition, nor has the Opponent identified any evidence in support of the ground. Thus, for at least the reason that the Opponent has not met its initial evidential burden, the section 38(2)(f) non-entitlement to use ground is rejected.

[104] Lastly, with respect to the section 38(2)(d) ground, the Opponent essentially pleads that the Trademark is not distinctive within the meaning of section 2 of the Act in light of the prior applications, registrations and use of the Opponent's Marks, family of marks consisting of the Opponent's Marks, and the Opponent's trade name.

[105] To meet its evidential burden under this ground, the Opponent must show that the trademarks upon which it relies had become sufficiently known, *i.e.* that its reputation was "substantial, significant or sufficient", as of the date of filing of the statement of opposition [*Bojangles' International, LLC and Bojangles Restaurants, Inc v Bojangles Café Ltd*, 2006 FC 657 at para 34; *Ontario Dental Assistants Association v Canadian Dental Association*, 2013 FC 266 at para 42, *aff'd* 2013 FCA 279].

[106] Even if I accept that the Opponent has established some measure of use and promotion of the Opponent's Marks which predates the present opposition, the evidence falls short of demonstrating any "substantial, significant or sufficient" reputation. Accordingly, the section 38(2)(d) non-distinctiveness ground is also rejected.

### **DISPOSITION**

[107] In light of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Eve Heafey  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

## **SCHEDULE**

### ***The Opponent's Marks***

CLEARLY CANADIAN	Registration No. TMA357731, based on a declaration of use filed on May 10, 1989 in association with "Soft drinks, water, flavoured, non-flavoured, carbonated and uncarbonated mineral water and fruit juices, spring water, bottled drinking water".
CLEARLY CANADIAN	Registration No. TMA408558, claiming use in Canada since at least as early as May 10, 1989 in association with "Soft drinks, water, flavoured, non-flavoured, carbonated and uncarbonated mineral water and fruit juices, spring water, bottled drinking water".
	Registration No. TMA1099010 based on priority filing date of December 16, 2016 in the United States and proposed use in Canada, in association with "Drinking waters; mineral waters; spring waters; flavored waters; fruit-flavored beverages; non-alcoholic beverages, namely, carbonated beverages; soft drinks".
CLEARLY	Registration No. TMA1099009 based on priority filing date of December 16, 2016 in the United States and proposed use in Canada, in association with "Drinking waters; mineral waters; spring waters; flavored waters; fruit-flavored beverages; non-alcoholic beverages, namely, carbonated beverages; soft drinks".

# Appearances and Agents of Record

**HEARING DATE:** November 5, 2024

## **APPEARANCES**

**For the Opponent:** Richard Whissell

**For the Applicant:** Nelson Godfrey

## **AGENTS OF RECORD**

**For the Opponent:** Perley-Robertson, Hill & McDougall LLP

**For the Applicant:** Gowling WLG (Canada) LLP