



## NOT ALL ALCOHOLIC BEVERAGES ARE CREATED EQUAL, REVEALS CANADA'S TRADEMARK OPPOSITION BOARD

"In wine there is wisdom, in beer there is Freedom, in water there is bacteria."  
— Benjamin Franklin

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In an interesting summary expungement proceeding under section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (hereafter: the "*Act*"), involving a trademark associated with alcoholic beverages, the Trademarks Opposition Board expunged the mark DA VINCI because its owner failed to prove use its use in association with each of the goods specified in the impugned registration (*Smart & Biggar v. Constellation Brands Québec, Inc.*, 2015 COMC 82 (Member Céline Tremblay, April 28, 2015)).

### Cancellation proceedings in Canada

Section 45 is the Act's "use it or lose it" provision which permits the Registrar of Trademarks, by way of an administrative cancellation proceeding, to expunge trademark registrations which are not in use. Following a request made by any third party, the Registrar will issue a notice requiring that an owner show use of its registered trademark within a specified time frame or, based on exceptional circumstances, justify its non-use, failing which such mark will be expunged.

It is trite law that the purpose and the scope of a section 45 proceeding is to provide for an expeditious procedure for removing "deadwood" from the register. An overabundance of evidence is unnecessary although sufficient facts must be presented by the owner to allow the Registrar to conclude that the trademark was used in association with each of the goods or services mentioned in the registration.

### Factual background

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On April 5, 2013, at the request of Smart & Biggar (hereafter the “Requesting Party”, the Registrar addressed a notice under section 45 of the Act to Constellation Brands Quebec, Inc. (hereafter “Constellation”), owner of the registered trademark DA VINCI (TMA 303,667)(hereafter the “Mark”). Constellation was therefore tasked with proving use of the Mark in Canada, between April 5, 2010 and April 5, 2013 (hereafter the “Relevant Period”), in association with the goods specified in its registration: “boissons alcoolisées distillées; liqueurs”(“distilled alcoholic beverages; liquors”).

As evidence, Constellation filed the affidavit of Ms. Berberi, Brand Manager at Constellation. Attached to Ms. Berberi’s affidavit were exhibits comprised of a photo of a bottle, specimen labels and copies of purchase orders covering the years 1998, 2003, 2004 and 2006 for DA VINCI Amaretto goods. Constellation also filed a photograph of a DA VINCI wine bottle and related purchase orders for the years 2006 to 2010 for DA VINCI wines. Both parties filed written representations and a hearing was held on February 10, 2015.

### **The decision of the Trademarks Opposition Board**

During the hearing, Constellation acknowledged its evidence illustrated that sales of the DA VINCI Amaretto goods had ceased in 2006 and thereafter, only wines were sold in association with the Mark. Nonetheless, Constellation argued evidence of use of the Mark in association with “wines” constituted evidence of use in association with “liqueurs” based on its position that the term “liqueur” as itemised in the statement of goods “underlies a broad interpretation of a range of alcoholic beverages, of which wine is an integral part”.

Constellation also ultimately acknowledged the absence of evidence of use of the Mark for “distilled alcoholic beverages”. As the evidence did not show special circumstances justifying the lack of use, the Opposition Board concluded the goods identified as “distilled alcoholic beverages” were to be removed from Constellation’s registration.

The Opposition Board then turned to the issue of whether use of the Mark in association with “wines” during the relevant period, constituted evidence of use in association with the goods specified in the registration as “liqueurs”. While acknowledging that “liqueurs” and “wines” correspond to the general category of alcoholic beverages, the Opposition Board did not accept Constellation's position that (i) the French term “liqueurs” encompasses wines on the basis of their affiant’s mere assertion to that effect in her affidavit and that (ii) as a result, evidence of use of the Mark in association with “wine” would allow for the maintenance of the registration for the goods identified as “liqueurs”. To quote: “I will not normally call wine a liqueur”.

In ordering the expungement of the Mark, the Opposition Board took the liberty of adding it strongly doubted that if the DA VINCI Amaretto goods had been sold during the Relevant Period, Constellation would have presented these goods as a wine

rather than a fine liqueur, as indicated on the product label. The Board further stated Constellation's interpretation of the registered goods appeared excessive as it would be akin to allowing evidence of use of the Mark with any alcoholic beverage other than a liqueur, such as a beer, to maintain the registration for the goods identified as "liqueurs".

## Conclusion

One of the most noteworthy aspects of this case is the inference that the relationship between beer, spirits and wine does not provide for an interchangeable application in all trademark matters. While these types of alcoholic beverages form part of the same family of goods, a factor which may be sufficient in supporting a claim of confusion, in a section 45 proceeding the playing field is different in that, even if such goods form part of the same industry, they are not similar enough to satisfy use requirements under the Act.

More importantly, this decision serves as a cautionary tale to trademark owners regarding the level of vigilance required in identifying goods and services in a registration. It also illustrates the importance of reviewing one's trademark portfolio and that in case of doubt, best practices dictate that a trademark owner should take appropriate measures to ensure its registrations, particularly dated ones, accurately represent the goods and services associated with its trademarks over the course of a portfolio's lifespan.



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