



COURT GIVES FULL EFFECT TO PINNACLES WORD MARK OWNED BY WINERY IN OPPOSITION CASE

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In a decision that underlines the advantages of having a registered trade-mark composed only of words (as opposed to words and designs), Canada's Federal Court allowed an appeal further to a decision by Canada's Trade-marks Opposition Board that had rejected an opposition by the owner of the trade-mark PINNACLES against an application for registration of a design trade-mark that included the words DOMAINE PINNACLE (*Constellation Brands Inc. et al. v Domaines Pinnacle Inc.*, 2015 FC 1083 (F.C., Gagné J., September 16, 2015)).

On June 3, 2004, the Respondent Domaines Pinnacle Inc. ("Domaines Pinnacle" or the "Respondent") filed with the Registrar of Trade-marks an application to register a word and design trade-mark namely DOMAINE PINNACLE & DESIGN (the "Trade-mark"), composed of both words (DOMAINE PINNACLE) and design elements (such as an apple and a snowflake). This application, as amended on July 13, 2005, mentioned that registration of the Trade-mark was sought in association with apple-based alcoholic beverages along with apple-based non-alcoholic products such as juice, cider, purees, compotes, jellies, jams, pies, sauces and other similar food products.

On August 5, 2008, various opponents including Constellation Brands Inc. and Franciscan Vineyards Inc. ("Franciscan Vineyards") filed a statement of opposition against the application submitted by the Respondent. One of the main grounds of opposition put forward by the opponents was the likelihood of confusion that was created by the Respondent's Trade-mark and the registered trade-mark PINNACLES for wine belonging to Franciscan Vineyards. The Opposition Board therefore had to determine whether there existed a likelihood of confusion between Franciscan Vineyards' PINNACLES trade-mark and the Respondent's Trade-mark in association with each party's respective products.

The Board found that both parties' trade-marks were inherently weak as they were made up of the word "pinnacle", a laudatory term suggesting the highest point.

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However, the Respondent's Trade-mark was better known than Franciscan Vineyards' trade-mark owing to the Respondent's more important sales figures in Canada.

The Board found that both trade-marks were in use for some time now (1997 for the PINNACLES trade-mark and 2001 for the DOMAINE PINNACLE & DESIGN Trade-mark).

Concerning the nature of the products, services or business and the nature of the parties' trade, the Board concluded that both parties' respective alcoholic beverages were part of the same industry. However, the other non-alcoholic products mentioned in the Respondent's application were clearly different than the wine associated with the PINNACLES trade-mark.

Finally, concerning the degree of resemblance between both trade-marks, the Board concluded that there was a fair degree of resemblance between them since the word PINNACLE is the dominant element of both trade-marks. However, both trade-marks suggested different ideas since the Respondent's Trade-mark suggested the idea of cold and winter (because of the presence of a snowflake element) while Franciscan Vineyards' trade-mark suggested the idea of a plurality of summits.

In the end, the Registrar concluded that the Respondent had discharged its burden of showing, on a balance of probabilities, that there was no reasonable likelihood of confusion between the trade-marks.

Franciscan Vineyards and the other opponents appealed the Registrar's decision before the Federal Court and argued that the Opposition Board failed to take into account that the "fair degree of resemblance" factor should be the most influential one in the confusion analysis carried out in the present case. According to Franciscan Vineyards and the other opponents, when the confusion test (as described by Canada's Supreme Court in *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 ("*Masterpiece*")) is correctly applied, the appropriate finding should be a likelihood of confusion between the parties' trade-marks because of their resemblance.

In its reasons, the Court highlighted the Supreme Court of Canada's teaching in *Masterpiece* whereby was rejected any finding of a "weaker" degree of resemblance between trade-marks because of the circumstances of actual use of a registered word mark. In other words, when a registered word mark is used in a certain way that appears to eliminate likelihood of confusion with another mark (because the registered word mark is used, for example, with a design that is different than the one used in the other mark), the Court (and the Opposition Board) should nonetheless examine all the other uses allowed under the registration of the word mark (for example, adoption by the owner of the registered word mark of any style of lettering, color or design that is similar to the lettering, color or design present in the other

mark). It was argued in this case that this exercise was not carried out by the Opposition Board.

The Court agreed with Franciscan Vineyards and the other opponents that the Opposition Board should have taken into account that Franciscan Vineyards' registered word mark PINNACLES could be used with any style of lettering, color or design which would have suggested, for example, the idea of cold and winter, in a way similar to the Respondent's DOMAINE PINNACLE & DESIGN Trade-mark which included the representation of a snowflake.

The Court therefore granted the appeal to quash the Opposition Board's decision and remitted the matter back to a different Board member for reconsideration.

This decision illustrates the advantages of having a trade-mark registered only in word format. Whenever it must be determined if another trade-mark (that may include design elements) is confusing with a registered trade-mark made up only of words, one must take into account how such registered word mark could be used, including with lettering, color or design similar to the one used in the other trade-mark. This analysis must always be carried out to give full effect to the rights granted by the registration of a word mark.



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