



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

Citation: 2014 TMOB 242
Date of Decision: 2014-11-12

IN THE MATTER OF AN OPPOSITION
by Shanghai Tobacco (Group)
Corporation to application No. 1,537,861
for the trade-mark XINZHONGHUA &
Design in the name of Duobaoli Tobacco
(H.K.) Co., Ltd.

[1] On July 29, 2011, Duobaoli Tobacco (H.K.) Co., Ltd. (the Applicant) filed an application to register the trade-mark XINZHONGHUA & Design, as shown below, based on proposed use in association with the wares “cigarettes”.

XINZHONGHUA



[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of November 28, 2012.

[3] On February 6, 2013, Shanghai Tobacco (Group) Corporation (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- pursuant to sections 38(2)(a) and 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), the application does not comply with section 30(e) because the Applicant does not intend to use the Mark in Canada in association with cigarettes;
- pursuant to sections 38(2)(a) and 30(e) of the Act, the application does not comply with section 30(e) because the Applicant used the Mark in association with cigarettes prior to the filing date;
- pursuant to sections 38(2)(a) and 30(i), the Mark is confusing with the Opponent's registered trade-marks CHUNGHWA & Design and BUILDING DESIGN which the Opponent has been using in association with tobacco and cigarettes for many years. As such, at the date of the application, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada;
- pursuant to sections 38(2)(b) and 12(1)(d), the Mark is not registrable as it is confusing with the Opponent's registered trade-marks:

i. CHUNGHWA & Design – TMA504,314



ii. BUILDING DESIGN – TMA504,318



- pursuant to sections 38(2)(c) and 16(3)(a), the Applicant is not the person entitled to registration since the Mark is confusing with the Opponent's trade-

marks (as outlined above in the section 12(1)(d) ground of opposition) which have been used in Canada since at least as early as 1998 in association with tobacco and cigarettes;

- pursuant to sections 38(2)(d) and 2, the Mark does not distinguish and is not adapted to distinguish the Applicant's cigarettes from those of the Opponent.

[4] The Applicant served and filed a counter statement in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof.

[5] In support of its opposition, the Opponent filed certified copies of its pleaded registered trade-marks, as well as the following two additional registered trade-marks:

- a. TMA492,180 – PEONY & Design



- b. TMA504,317 – FLOWER & Design



[6] The Applicant did not file any evidence in support of its application.

[7] Only the Applicant filed a written argument but both parties were represented at an oral hearing.

Onus and Material Dates

[8] The 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 the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

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

- sections 38(2)(a)/30 - the date of filing the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB)];
- sections 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- sections 38(2)(c)/16(3)(a) – the date of filing the application [see section 16(3) of the Act];
- 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 (FC)].

Summary Dismissal of Grounds of Opposition

Section 30(i) of the Act

[10] Where an applicant has provided the statement required by section 30(i), 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 [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the section 30(i) ground is accordingly dismissed.

Section 30(e) of the Act

[11] The Opponent has not provided any evidence or submissions in support of the two grounds of opposition based on non-compliance with section 30(e) of the Act and as a result, both are dismissed.

Non-entitlement and non-distinctiveness

[12] At the oral hearing, the Opponent submitted that while it would not be withdrawing its grounds of opposition based on non-distinctiveness and non-entitlement it conceded that having failed to provide evidence of use of the Opponent's registered trade-marks it had not met its evidential burden for these grounds of opposition.

[13] I agree with the Opponent that it has failed to meet its evidential burden under these grounds. To this end, I note that any reference to use in the Opponent's registrations is not sufficient to satisfy the Opponent's evidential burden under these grounds [see *Rooxs, Inc v Edit-SRL* (2002), 23 CPR (4th) 265 (TMOB)].

Non-registrability Ground – Section 12(1)(d) of the Act

[14] As a preliminary matter, I note that the Opponent provided certified copies of two registered trade-marks which were not pleaded in support of this ground of opposition. These additional registered trade-marks will not be considered in support of the section 12(1)(d) ground of opposition (see *Imperial Developments Ltd v Imperial Oil* (1984), 79 CPR (2d) 12 (FCTD)). However, given the fact that these additional registered trade-marks share even less resemblance with the Mark than the pleaded registered marks, my decision not to include them is of no prejudice to the Opponent.

[15] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registrations relied upon are in good standing as of the date of the opposition decision. The Registrar has discretion to check the register in order to confirm the existence of the registrations relied upon by an opponent [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised that discretion and note that the registrations for the Opponent's registered trade-marks, as pleaded,

remain extant. Thus the Opponent has met its evidential burden. I must now assess whether the Applicant has met its legal onus.

[16] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[17] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC).]

[18] Recently, in *Masterpiece* the Supreme Court of Canada discussed the importance of the section 6(5)(e) factor in conducting an analysis of the likelihood of confusion between the parties' marks in accordance with section 6 of the Act (see para 49):

...the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis ... if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar... As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start...

[19] Under the circumstances of the present case, I consider it appropriate to analyse the degree of resemblance between the parties' marks first.

6(5)(e) – *the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them*

[20] The law is clear that when assessing confusion it is not proper to dissect trade-marks into their component parts, rather, marks must be considered in their entirety [see *British Drug Houses Ltd v Battle Pharmaceuticals*, [1944] Ex CR 239, at 251, affirmed [1946] SCR 50 and *United States Polo Assn v Polo Ralph Lauren Corp* (2000), 9 CPR (4th) 51 at para 18, aff'd [2000] FCJ No 1472 (CA)].

[21] I do not find there to be any similarity in appearance, sound or idea suggested between the Mark and the Opponent's registered CHUNGHWA & Design trade-mark when they are considered in their entirety.

[22] The only similarity between the Mark and the Opponent's registered BUILDING DESIGN trade-mark arises from the fact that both marks feature Chinese characters and a building design. At the oral hearing, the Opponent submitted that the middle and lower Chinese characters in the Mark are the same as the two Chinese characters in the Opponent's mark. Even if I were to accept that the parties' marks share two of the same Chinese characters, the building design elements share essentially no similarity in appearance. When the parties' marks are considered as a whole, the overall appearance of the marks is entirely different.

[23] In terms of sound, the transliterations for the Chinese characters in the Mark provided by the Applicant are "Xin", "Zhong" and "Hua". The transliterations for the Chinese characters provided in the registration for the Opponent's BUILDING DESIGN mark are "Zhong" and "Hua". To the extent that the average Canadian consumer can read and understand Chinese characters, the parties' marks share some degree of similarity in sound. However, I have not been provided with any evidence as to whether the average consumer for either of the parties' wares would be able to read or understand Chinese characters.

[24] While I am prepared to take judicial notice that "there are some Canadians who would be fluent in Chinese", I am unable to conclude that "the number of Canadians fluent in Chinese would be significant" [see: *Cheung Bakery Products Ltd v Saint Anna Bakery Ltd* (1992), 46 CPR (3d) 261 at 268 (TMOB) (*Cheung*); citing: *Nishi v Robert Morse Appliances Ltd* (1989), 27 CPR (3d) 112 (TMOB); *Krazy Glue Inc v Grupo Cyanomex, SA de CV* (1989), 27 CPR (3d) 38 (TMOB), aff'd 45

CPR (3d) 161 (FC); *Cheung* is followed in *Saint Anna Bakery Ltd v Cheung's Bakery Products Ltd* (1996), 70 CPR (3d) 241 at 246 (TMOB)].

[25] Thus, in the absence of any evidence as to the extent to which the average consumer for the parties' wares would be able to read and understand Chinese, I find that it is more likely that the average consumer would see these marks as being made up of symbols with no particular meaning. In other words, I find that there is no similarity between the parties' marks when sounded.

[26] In terms of ideas suggested, the translations for the Chinese characters in the Mark provided by the Applicant are "new", "middle" and "China", and the Opponent has provided translations for those in the BUILDING DESIGN as being "middle" and "China". The same reasons apply such that I am unable to infer that the average consumer of the wares would be able to read and understand Chinese characters such that the ideas suggested would be nothing more than a suggestion of Asian influences.

[27] Based on the foregoing, I find that the parties' marks share very little resemblance in appearance, sound or ideas suggested. Having found this, I must now assess the remaining relevant surrounding circumstances to determine whether any of these other factors are significant enough to find a likelihood of confusion [see *Masterpiece, supra* at para 49].

Section 6(5)(a) – inherent distinctiveness and the extent to which the marks have become known

[28] The parties' marks share the same degree of inherent distinctiveness, each being made up of a combination of words, Chinese characters and building designs. As submitted by the Opponent's agent, I agree that both parties' marks possess a fairly significant degree of inherent distinctiveness.

[29] In terms of the extent to which the marks have become known, the application for the Mark is based on proposed use and there is no evidence that the Mark has become known to any extent in Canada. Also, there is no evidence to show the extent to which the Opponent's registered trade-marks might have become known in Canada. The mere existence of registration Nos. TMA504,314 and TMA304,318 can establish no more than *de minimis* use of the trade-

mark [see *Entre Computer Centres, Inc v Global Upholstery Co* (1991), 40 CPR (3d) 427 (TMOB)].

[30] Based on the foregoing, the section 6(5)(a) factor does not favour either party in this case.

Section 6(5)(b) – the length of time each has been in use

[31] The Mark was applied for registration on the basis of proposed use and there is no evidence that the Applicant has ever used the Mark. While the pleaded registered trade-marks were registered pursuant to the filing of declarations of use in 1998, as pointed out above, in the absence of evidence of use, I can only infer *de minimis* use.

[32] While it may be true that *de minimis* use is more than no use, in the absence of evidence of actual use of any of the trade-marks at issue, this factor is of no significance in this case.

Section 6(5)(c) and (d) – the nature of wares, services or business and trade

[33] The nature of the parties' wares is identical. As a result, I am prepared to infer that their channels of trade would likely also overlap.

Conclusion

[34] I have considered the issue of confusion as a matter of first impression based on all the surrounding circumstances. As pointed out earlier, the Supreme Court has indicated that "if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion" (*Masterpiece, supra* at para 49).

[35] In the present case, I have found that the parties' marks share essentially no resemblance in appearance, sound or ideas suggested. I find that the remaining factors are not sufficient to shift the balance of probabilities in the Opponent's favour.

[36] Based on the foregoing, I am satisfied that the Applicant has met its legal onus of establishing on a balance of probabilities that no likelihood of confusion exists. The ground of opposition based on section 12(1)(d) of the Act is accordingly dismissed.

Disposition

[37] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office