

**IN THE MATTER OF AN OPPOSITION
by R.J. Reynolds Tobacco Company to
application No. 630,981 for the trade-mark
DE-NIC filed by Philip Morris Products Inc.**

On May 2, 1989, the applicant, Philip Morris Products Inc., filed an application to register the trade-mark DE-NIC for "cigarettes" based on proposed use in Canada. The application was advertised for opposition purposes on December 27, 1989.

The opponent, R.J. Reynolds Tobacco Company, filed a statement of opposition on February 27, 1990, a copy of which was forwarded to the applicant on March 12, 1990. On May 22, 1991, the opponent was granted leave to amend its statement of opposition pursuant to Rule 42 of the Trade-marks Regulations. The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(b) of the Trade-marks Act because it is either clearly descriptive or deceptively misdescriptive of the character or quality of the wares. According to the opponent, the trade-mark DE-NIC indicates that the applicant's cigarettes have been "de-nicotined" - i.e. - the level of nicotine in the cigarettes has been reduced or eliminated. The second ground of opposition is that the applied for trade-mark is not distinctive because it is either clearly descriptive or deceptively misdescriptive.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of John Bruce, Danyl Stotland, William A. Stewart, Monique Gervais, Isabelle Loiseau, Madeleine Fortin, Margaret McTavish, Malle Van Loan, three affidavits of Francis J. Lacy, a "certificate" of K.H. Han and two "affidavits" of Shen Chia-Lsing. As its evidence, the applicant filed an affidavit of Alvin Ossip. As evidence in reply, the opponent filed the affidavits of Dario Turchio, Tahir Bhatti, Rita Ottey and Stacey Leid-Redhead and a fourth affidavit of Francis J. Lacy.

The opponent was subsequently granted leave to file second affidavits from Dario Turchio and Tahir Bhatti effecting minor corrections to their first affidavits. Mr. Lacy was cross-examined on his fourth affidavit and Messrs. Turchio and Bhatti were cross-examined on both of their affidavits. The transcripts of those various cross-examinations form part of the record of this opposition. Both parties filed a written argument and an oral hearing was

conducted at which both parties were represented.

As a preliminary matter, it should be noted that the "certificate" of K.H. Han and the two "affidavits" of Shen Chia-Lsing are not in the form of affidavits or statutory declarations and therefore do not constitute proper evidence in this proceeding. As a further preliminary matter, it should be noted that the opponent's purported reply evidence is not admissible. The bulk of the opponent's evidence in chief relates to a survey conducted on behalf of the opponent and the applicant's evidence (namely, the Ossip affidavit) is essentially a series of criticisms of that survey. The opponent's purported reply evidence relates to a second survey conducted to overcome the deficiencies noted by Mr. Ossip. Such evidence does not constitute evidence strictly confined to matter in reply as required by Rule 45. Rather, that evidence should have been introduced as part of the opponent's evidence in chief or the opponent could have sought leave to introduce that evidence pursuant to Rule 46(1). Rule 45 is not a vehicle to correct deficiencies in the opponent's evidence in chief.

As for the opponent's first ground of opposition, Section 12(1)(b) of the Act reads as follows:

12. (1) Subject to section 13, a trademark is registrable if it is not...
 - (b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin....

The material time for considering the circumstances respecting the issue arising pursuant to Section 12(1)(b) of the Act is the date of my decision: see the decision in Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers (1992), 41 C.P.R.(3d) 243 (F.C.A.). The issue is to be determined from the point of view of an everyday user of the wares. Furthermore, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression: see Wool Bureau of Canada Ltd. v. Registrar of Trade Marks (1978), 40 C.P.R.(2d) 25 at 27-28 and Atlantic Promotions Inc. v. Registrar of Trade Marks (1984), 2 C.P.R.(3d) 183 at 186. In other words, Section 12(1)(b) only prevents the registration of trade-

marks that are clearly descriptive or deceptively misdescriptive; suggestive, descriptive and misdescriptive marks are not precluded. Finally, although the onus or legal burden is on the applicant to show that its trade-mark is registrable, there is an evidential burden on the opponent to adduce sufficient evidence to support its allegations of fact respecting the first ground.

The Bruce affidavit evidences seven packages of cigarettes purchased by Mr. Bruce in Ottawa on August 23, 1990. All of those packages bear a legend on the side of the package indicating the tar and nicotine content of the cigarettes using the designations "Tar" and "Nic.". The Stotland affidavit establishes that tobacco plants contain nicotine. In his affidavit, Mr. Stewart identifies himself as a Professor of Linguistics and he states that the prefix "de" in the English language means, among other things, to deprive something of the thing expressed. Notwithstanding the fact that Mr. Stewart was unable to find a standard dictionary reference to "nic" as an abbreviation for the word nicotine, he is of the view that the average consumer would react to the trade-mark DE-NIC for cigarettes as shorthand for "de-nicotined" or "de-nicotinized."

The balance of the opponent's admissible evidence in chief relates to a consumer survey. Survey evidence is admissible but care must be taken to ensure its reliability. As stated by Mr. Justice MacKay in Joseph Seagram & Sons v. Seagram Real Estate (1990), 33 C.P.R.(3d) 455 at 471 (F.C.T.D.):

The question of admissibility and reliability of surveys of public opinion polls has been the subject of debate in numerous trade mark cases. However, after considering the jurisprudence concerning the matter, I understand the general principle to be that the admissibility of such evidence and its probative value are dependant upon the relevance of the survey to the issues before the court and the manner in which the poll was conducted; for example, the time period over which the survey took place, the questions asked, where they were asked and the method of selecting the participants.

Mr. Justice Pinard also had occasion to consider survey evidence in his recent unreported decision in Opus Building Corporation v. Opus Corporation (Court No. T-109-94; March 23,

1995). At page 6 of his reasons, Mr. Pinard stated as follows:

I find that the survey is admissible for the following reasons:

- (a) the survey was conducted by an expert in the field of public opinion research;**
- (b) the sampling is from the appropriate "universe";**
- (c) the survey was designed and conducted, and the resulting data was processed, in a professional manner, independent of both the applicant and its counsel;**
- (d) the survey was not geographically restricted;**
- (e) the survey was conducted in both national official languages and involved both male and female respondents; and**
- (f) the survey evidence is put forward as the basis on which the expert assessed the recognizability of the word OPUS in the survey "universe".**

In designing a survey for the purposes of the issue of descriptiveness, it is preferable to structure it to elicit a consumer's first impression by the use of open-ended questions such as "What do you think of when you see (or hear) this word?" or "What word comes to mind when you see this package?" This allows a respondent to reply in any number of ways. He might state that the word means something to him, that it reminds him of a particular company, that he associates it with particular wares or services, that he associates it with a particular emotion or feeling, etc.

In this case, the opponent's survey was conducted in December of 1990 in Montreal and Toronto to gauge consumer reaction to the applicant's trade-mark DE-NIC for cigarettes. In Montreal, the survey was conducted among 100 randomly selected French speaking smokers at the Place Bourassa shopping complex. In Toronto, the survey was conducted among 303 randomly selected English speaking smokers at the Eaton Centre. Each consumer was shown a photograph of MERIT cigarettes (shown below) as apparently sold by the applicant in the United States. The consumer's attention was directed to the "hyphenated five letter word that appears just below MERIT" and he or she was asked the following question: "What does that word on a pack of cigarettes mean to you?"

In his first three affidavits, Mr. Lacy, the President of the survey company used by the opponent, described the methodology and results of the surveys conducted. Among the French speaking respondents, 65% used the word "nicotine" in their responses but very few responded that the cigarettes would have no nicotine or less nicotine. Given the meaning of the word "de" in French, such a result is not surprising. Among the English speaking respondents, almost 80% used the word "nicotine" in their responses. According to Mr. Lacy, almost 70% of anglophones responded by saying that the cigarettes contained or probably contained no, lower or less nicotine.

In my view, the opponent has met its evidential burden. The fact that cigarette packages in Canada commonly bear the abbreviation "nic." for nicotine and the fact that English speaking smokers would likely view the word "de" used as a prefix in a coined word as denoting the reduction of something constitute some evidence that the mark DE-NIC used for cigarettes might mean to consumers that the cigarettes contained no or less nicotine. More importantly, however, the opponent's survey evidence suggests that English speaking smokers would react in that fashion as a matter of first impression. Thus, the opponent's evidence tends to indicate that the trade-mark DE-NIC either clearly describes cigarettes that contain no or less nicotine or that it deceptively misdescribes cigarettes that do not have a reduced nicotine content.

By way of contrast, the opponent's survey evidence suggests that French speaking smokers would react to the trade-mark DE-NIC as meaning "of nicotine" or "containing nicotine." Thus, to francophones, it would appear that the trade-mark DE-NIC either clearly describes cigarettes that contain nicotine or it deceptively misdescribes cigarettes that contain

no or less nicotine.

In his affidavit, Mr. Ossip qualified himself as an expert in the field of market surveys and he detailed three basic criticisms of the opponent's survey. His first criticism is that the opponent's survey question encouraged guessing and discouraged brand-related responses. I do not agree with either aspect of this criticism. In my view, the opponent's question is a neutral, open-ended one of the type previously discussed. Keeping in mind that surveying is as much an art as a science, I consider that the question used in the opponent's survey was adequate to elicit a consumer's first impression and I do not think that it unduly encouraged guessing or speculation. I also do not agree with the second aspect of Mr. Ossip's first criticism since the photograph shown to consumers was of an actual package of cigarettes with the word DE-NIC fairly prominently displayed. In fact, the word is followed by an encircled "R" which would likely emphasize its status as a brand or trade-mark.

Mr. Ossip's second criticism is that Mr. Lacy's categorization of the survey results was unfair since Mr. Lacy did not take into account the proportion of respondents who were guessing. A review of the completed interview sheets reveals that there is some merit to this criticism since some respondents used hedging or guessing language in their responses. However, the number of consumers who used such words was not great. Furthermore, the use of such language is common in everyday parlance and does not necessarily indicate uncertainty. More importantly, the applicant did not cross-examine the opponent's affiants to determine if the respondents who used hedging or guessing words hesitated in giving their responses thereby diminishing the likelihood that such responses represented their first or immediate impression.

Mr. Ossip's third criticism is that there were "inadequate executional controls" for the opponent's survey. Again, there is some merit in this observation since the Toronto survey was conducted with only two interviewers who were not directly supervised and there apparently was no independent validation of the interviews. However, in my view, the survey did not appear to be casually conducted and the results do not appear to be fabricated or otherwise suspect.

In my view, the Ossip affidavit is not sufficient to meet the applicant's legal burden. In my experience, it is relatively easy to criticize any survey that has been conducted since it is impossible to control or account for all of the variables. Although the opponent's survey was not perfect, it did satisfy all but one of the criteria set out by Mr. Justice Pinard in the Opus case discussed above. The one criterion the survey did not meet was the absence of a geographical restriction since the English language survey was conducted only in the Eaton Centre in Toronto and the French language survey was conducted only in Place Bourassa in Montreal. However, I do not consider that this is a major flaw in the opponent's survey since I am prepared to assume that a random sampling of adult smokers in a major shopping complex in Canada's two largest cities would yield results that would be fairly representative of English and French speaking Canadians. To the extent that the reliability of the opponent's survey may suffer from its geographical restriction or from the minor deficiencies noted by Mr. Ossip, I am prepared to give slightly less weight to the survey results and to Mr. Lacy's interpretation of them.

As discussed, the opponent has met its evidential burden. Further, as also noted, I do not consider that the applicant has provided sufficient evidence to discharge its legal burden. The applicant only filed a single affidavit containing some minor criticisms of the opponent's survey. I would have expected the applicant to do more. For example, the applicant could have conducted its own survey to gauge consumer reaction to its mark. The applicant could also have cross-examined the opponent's affiants to challenge the reliability of the survey. As discussed, cross-examination may have revealed that some respondents delayed in giving their answers which might suggest that their replies did not evidence their immediate impressions of the applicant's mark.

Personally, I am of the view that the trade-mark DE-NIC, although strongly suggesting in the English language that the applicant's cigarettes contain no or less nicotine and strongly suggesting the opposite in the French language, does not clearly describe or deceptively misdescribe such wares. It would appear to me that those meanings for the mark DE-NIC do not arise as a matter of first or immediate impression but only after analyzing the components of the mark for at least a few seconds. However, the appropriate test is not my personal view

but rather my assessment of the evidence of record which indicates that those meanings do occur to most consumers as a matter of first impression.

Having considered all of the admissible evidence, I am left in a state of doubt as to whether or not the applicant's trade-mark offends the provisions of Section 12(1)(b) of the Act in both English and French. Since the legal burden or onus is on the applicant, I must resolve that doubt against it. The first ground of opposition is therefore successful. Since the success of the second ground is contingent on the first ground, I find that the second ground is also successful.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 31st DAY OF JULY, 1995.

**David J. Martin,
Member,
Trade Marks Opposition Board.**