

**IN THE MATTER OF AN OPPOSITION by
Rothmans Benson & Hedges Inc. to application
No. 1122387 for the trade-mark RESERVE
filed by Player's Company Inc.**

[1]. On November 19, 2001, Player's Company Inc. (the Applicant) filed an application to register the trade-mark RESERVE (the Mark) based upon proposed use of the Mark in Canada in association with "manufactured tobacco products" (the Wares).

[2]. The application was advertised for opposition purposes in the Trade-marks Journal of February 26, 2003.

[3]. On July 24, 2003, Rothmans Benson & Hedges Inc. (the Opponent) filed a statement of opposition against the application. The grounds of opposition, as amended, can be summarized as follows:

- a. The application does not conform to the requirements of s. 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, as amended (the Act) in that the Applicant could not have been satisfied that it was entitled to use the Mark as a trade-mark in Canada in association with the wares set out in the application as the Applicant was aware or ought to have been aware of the registered trade-marks identified in paragraph c) below prior to the filing date of the Applicant's application;
- b. The Mark is not registrable, contrary to s. 12(1)(b) of the Act, since the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the wares in association with which it is proposed to be used;
- c. The Mark is not registrable because, contrary to s. 12(1)(d) of the Act, the trade-mark application for the Mark is confusing with the registered trade-marks MACDONALD'S SPECIAL RESERVE (TMA191,379) and DUNHILL SPECIAL RESERVE (TMA487,953); and
- d. The Mark is not distinctive of the Applicant as it does not distinguish the wares of the Applicant nor is it adapted so as to distinguish them.

[4]. The Applicant filed and served a counter statement in which it denied all grounds of opposition.

[5]. As its evidence, the Opponent submitted an affidavit of Perry J. Lao. The Applicant filed a single set of affidavits of Edmond Ricard, Chantal Dorais, Adamo Santoianni, Timothy Owen Stevenson, Eric Weaver, Iva Morina and Gay Owens in respect of the present opposition as well as seven oppositions to other applications involving the same Applicant and Opponent. Only the aspects of evidence relevant to the present opposition will be discussed herein.

[6]. Each party filed a written argument. Only the Applicant was represented at an oral hearing.

Onus and relevant dates

[7]. The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is, however, an initial 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 Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

[8]. The relevant dates for assessing the circumstances in regard to each of the grounds of opposition in the present case are the following:

- Ground based on s. 30 of the Act: the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)];
- Ground based on s. 12(1)(b) of the Act: the filing date of the application [see *General Housewares Corp. v. Fiesta Barbeques Limited* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)].

- Ground based on s. 12(1)(d) of the Act: the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
- Ground based on non-distinctiveness of the Mark: generally accepted as being the filing date of the statement of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

[9]. I will now analyze the grounds of opposition in regard to the evidence filed in the record, without necessarily respecting the order in which they were raised in the statement of opposition.

Section 12(1)(b) ground of opposition

[10]. The Opponent contends that the Mark is not registrable, contrary to s. 12(1)(b) of the Act, since:

“(…) the [M]ark, whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares in association with which it is proposed to be used. The word RESERVE is laudatory, having a meaning of being kept back or set aside. RESERVE clearly describes or deceptively misdescribes the Applicant’s [W]ares as being kept back or set aside due to a different or superior character or quality relative to other manufactured tobacco products of the Applicant or other third parties.”

[11]. The test under s. 12(1)(b) of the Act considers whether the trade-mark as a whole is clearly descriptive or deceptively misdescriptive of the character or quality of the wares or services in association with which it is used or proposed to be used. The trade-mark must not be dissected into its component elements and carefully analysed, but rather must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Canada (Registrar of Trade Marks)* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.), at 27-28 and *Atlantic Promotions Inc. v. Canada (Registrar of Trade Marks)* (1984), 2 C.P.R. (3d) 183 (F.C.T.D.), at 186]. “Character” means a feature, trait or characteristic of the product and “clearly” means self-evident, plain, easy to understand [see *Drakett Co. of Canada v. American Home Products Corp.* (1968), 55 C.P.R. 29 (Ex. Ct.), at 34].

[12]. Applying these principles to the present case, I agree with the Opponent that the s. 12(1)(b) ground of opposition ought to succeed, for the reasons set out below.

[13]. According to the extracts from various paper and web-based dictionaries available in Canada defining the word “RESERVE” filed by the Opponent through the Lao affidavit, the word “RESERVE” is capable of various meanings in English, ranging from a word to describe a place or thing in which something is preserved or stored, to rare, to military forces kept in addition to a nation’s regular forces, to an artistic or literary expression meaning absence from exaggeration or ill-proportioned effects. “Reserve” may be used as an adjective meaning self-restraint, reticence, coolness or distance of manner. “Reserve” also has meanings specific to certain industries such as the oil and gas industry (an amount of oil, gas, a mineral, etc. known to exist in the ground and available for exploitation) and the financial services industry (the part of a company’s profit added to its capital rather than being paid as a dividend). Also, in the Canadian context, “reserve” means a tract of land set apart for the exclusive use of a Canadian Indian group. However, such plurality of meanings hardly finds application in the context of the Applicant’s Wares.

[14]. The evidence in the record supports the Opponent’s contention that the word “RESERVE” is clearly descriptive or laudatory, having a meaning of being kept back or set aside due to a different or superior character or quality relative to other manufactured tobacco products of the Applicant or other third parties.

[15]. As per the details of the trade-mark registrations included in the Owens and Lao affidavits, the Canadian Intellectual Property Office (CIPO) has granted at least six registrations to three different parties for trade-marks in which “RESERVE” is used in association with tobacco products, namely:

- AMPHORA BLACK CAVENDISH & DESIGN (TMA602,407)
- AMPHORA GOLDEN BLEND & DESIGN (TMA602,366)
- AMPHORA MALT WHISKEY & DESIGN (TMA602,388)
- AMPHORA WILD CHERRY & DESIGN (TMA602,211)

- MACDONALD SPECIAL RESERVE (TMA191,379)
- DUNHILL SPECIAL RESERVE (TMA487,953)

[16]. The design element in each of the four “AMPHORA” marks includes the words “SPECIAL RESERVE”. Only the DUNHILL SPECIAL RESERVE trade-mark registration includes a disclaimer of the right to the exclusive use of the words “SPECIAL” and “RESERVE” apart from the trade-mark. While the said number of trade-mark registrations may not be sufficient to draw inferences about the state of the marketplace, the Applicant itself acknowledges at paragraph 55 of its written argument that the word “RESERVE” is “*common to numerous other trade-mark registrations and applications, including marks for use in association with tobacco-related products. Thus, to the extent that the asserted trade-marks are inherently distinctive, such distinctiveness results from those elements other than the word “RESERVE”*”.

[17]. The excerpts from various tobacco-related magazines bought in Toronto on February 9, 2004, filed by the Opponent through the Lao affidavit further support, to some extent, the Opponent’s contention that the word “RESERVE” is clearly descriptive or laudatory. These excerpts show cigars which contain the word “RESERVE” in the product name, namely: “Savinelli Nicaragua Reserve Special Selection Toro”, “Saint Luis Rey Reserva Espacial Toro”, “Camacho Special Limited Reserve Toro”, “Onyx Reserve Robusto” and “H.Upman Chairman’s Reserve Robusto”. While there is no evidence that any of these cigars were available for sale in Canada as of the filing date of the Applicant’s application, these excerpts point to the descriptive character of the word “RESERVE” in the context of the Applicant’s Wares.

[18]. The Opponent’s position is further supported by the jurisprudence as per the following passages from Mr. Justice Pigeon in *S.C. Johnson & Son Ltd. v. Marketing International Ltd.* (1979), 44 C.P.R. (2d) 16 (S.C.C.) and Mr. Justice Cattanach in *Imperial Tobacco Ltd. v. Benson & Hedges (Canada) Inc.* (1983), 75 C.P.R. (2d) 115 (F.C.T.D.), as well as by CIPO’s Examination Manual, whose reproduction, though lengthy, is necessary to fully appreciate the rationale of the line of case law that finds application in the present case:

In S.C. Johnson & Son Ltd. v. Marketing International Ltd.:

“20 In his reasons for judgment, the trial Judge said (at p. 24 [32 C.P.R. (2d)]:

... it seems that the word 'off' is most usually used in connection with other words and derives its meaning from the context in which it is used. If the use is elliptical then because of its many uses the ellipses are many.

That being so the word 'off' standing alone bereft of context has no meaning readily ascribed to it and accordingly that word cannot be 'clearly descriptive of the nature and quality of the wares in association with which it is used' without the explanation accomplished by additional words which are not expressed and what those words might be is left to conjecture.

Therefore, I conclude that the registration of the word 'off!', followed by an exclamation mark as it is, was validly registered by the Wisconsin plaintiff, that it was 'adapted' to distinguish that owner's wares and has a degree of distinctiveness capable of doing so.

21 With respect, I have to say that the learned trial Judge was in error in the view he took of the plaintiffs' use of the word "off". He failed to consider the essential factor that this was an elliptical use of the word in association with an insect repellent and therefore, in that context, it was descriptive of the wares or of their effect. He also failed to consider that in applying to register this trade mark, Johnson U.S. was in effect claiming a monopoly for the use of a common word of the language, a word commonly used in connection with a variety of wares in related categories all exhibiting the common purpose of avoiding or getting rid of something. The variety and number of trade marks ending with "off" presently on the register, show its widespread use in that sense.”

In Imperial Tobacco Ltd. v. Benson & Hedges (Canada) Inc.:

“9 The word "right" has a plethora of dictionary meanings but in use as a trade mark in association with wares those frequent definitions are such as "held in accordance with goodness", "agreeable to a standard or principle", "fit", "suitable", "satisfying the requirements of necessity, propriety or suitably", "appropriate", "fitting", "having a genuine character", "most favourable, convenient or desired", "advantageous", "preferably". The common theme, when these definitions are reduced thereto, is "suitable, proper, desirable and satisfactory". Throughout there is the thread of meeting some standard.

10 In Funk & Wagnalls Handbook of Synonyms and Antonyms the synonym to "right" as an adjective are "appropriate, fitting, correct, good, proper amongst others" and the antonyms such as "bad, crooked, evil, false, improper and wrong" emphasizing the contrary meaning of "right".

11 Thus the word "right", just as the word "extra" which was the subject of like comment in *Re Molson Companies Ltd. and John Labatt Ltd. et al.* (1981), 58 C.P.R. (2d) 157 at p. 160, 129 D.L.R. (3d) 201, has the laudatory connotation that wares modified thereby meet a specified standard and are desirable and satisfactory.

12 In commenting on this extract the hearing officer said it was held that the word "extra" standing alone was unregistrable in association with any wares but omitted to comment on the continued quotation that the word "extra" was unregistrable in association with wares because it signified an enhancement of a character or quality of the wares in a material aspect.

13 Words having a laudatory connotation from their very nature have an implied ellipse which is the wares with which they are associated or are to be associated with.

14 In the matter considered by Mr. Justice Pigeon in *S. C. Johnson & Son Ltd. v. Marketing Int'l Ltd.* (1979), 44 C.P.R. (2d) 16, 105 D.L.R. (3d) 423, [1980] S.C.R. 99, the word "off" was not laudatory *per se* and so descriptive but rather in the context of the wares with which it was associated could only have one ellipse. "Off" could not be found to be descriptive without that particular ellipse.

15 That was the subject of the comment made by Mahoney J. in *Thomson Research Associates Ltd. v. Registrar of Trade Marks* (1982), 67 C.P.R. (2d) 205.

16 As in the *EXTRA* case or *Molson v. John Labatt*, cited above, the word "right" has a like laudatory connotation with respect to the wares with which it is proposed to be associated and the present appeal is indistinguishable from that case.

17 From this it follows that the word "right" to be used as a trade mark in association with cigarettes is clearly descriptive or deceptively misdescriptive of the character or quality of these wares and as such is precluded from registration."

In CIPO's Examination Manual:

“IV.4.8 Character or Quality

A trade-mark is not registrable if it is clearly descriptive or deceptively misdescriptive in the English or French languages of the character or quality of the wares or services in association with which it is used or proposed to be used. As to what constitutes the character of the wares or services, the examiners may be guided by the words of Cattanaach J. in *Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 at p. 34, where he states that "...the word 'character' as used in s. 12(1)(b) must mean a feature, trait or characteristic of the product."

(...)

In the Ultra Fresh decision, *Thomson Research Associates Ltd. v. Registrar of Trade Marks* (1982), 67 C.P.R. (2d) 205, the function of the wares was held to be clearly descriptive of their character. Mahoney J. stated at p. 208:

I agree with the respondent that 'ultra fresh' is clearly descriptive. It is not descriptive of the bacteriostats and fungistats themselves but it does clearly describe, or deceptively misdescribe, the condition of the products, e.g., the underwear, after treatment with those bacteriostats and fungistats.

And further:

'Ultra fresh' does not merely suggest a characteristic of the bacteriostats and fungistats at all; it clearly suggests the principal, if not only, effect of their application to other wares, in other words, their function.

Words which are common to a particular trade, such as "Fashions" or "Pack" (Pak), and which express a special or distinguishing attribute of wares or services, are seen as clearly descriptive of the character of the wares and are not registrable. However, a composite mark containing these clearly descriptive words may be registrable if a disclaimer clause is inserted in the application, and providing the composite mark, when considered as a whole, contains registrable subject matter.

(...)

Marks such as Superior, Excellent, Quality, Best, Ultra, Super, Supreme or Perfect, which laud the merits or superiority of the wares, are clearly descriptive of their quality and are not registrable except upon receipt of evidence of acquired distinctiveness or secondary meaning pursuant to subsection 12(2) or proof that the mark applied for is not without distinctive character in Canada pursuant to section 14 of the Act. *See sections IV.10 and II.7.8 of this manual.* However, such words may be made the subject matter of a disclaimer, providing the word is part of a composite mark, and "...there remained a distinctive feature, or a pictorial representation, which would make the mark as a whole distinctive from other marks" *Lake Ontario Cement Ltd. v. Registrar of Trade Marks* (1976), 31 C.P.R. (2d) 103 at p. 109."

[19]. The Applicant contends that while the trade-marks MACDONALD'S SPECIAL RESERVE and DUNHILL SPECIAL RESERVE mentioned above may in fact give rise to the idea asserted by the Opponent for "RESERVE" itself, namely that the products are kept back or set aside due to a different or superior character or quality relative to other manufactured tobacco products, such a meaning does not arise from the use of the trade-mark RESERVE by itself. More particularly, the Applicant contends that the dictionary definitions filed by the Opponent suggest that when used in association with tobacco products, "RESERVE" may suggest any of the following:

- That the tobacco product imparts in the smoker a cool or self-restrained image;

- That the tobacco products emanate from a Native Canadian reserve, an increasingly common source of tobacco products in Canada;
- That there is only a small quantity of the tobacco product available;
- That the tobacco product was at one point preserved in a place or thing in which something is stored; or
- That the tobacco products are produced by, on behalf of, or are specifically formulated for the tastes of, military reservists.

[20]. The Applicant further relies on the state of the register evidence introduced by the Owens affidavit to support its contention that the word “RESERVE” is not clearly descriptive in the manner asserted by the Opponent. The Applicant’s contentions do not convince me in the present case. The state of the register evidence shows that the word “RESERVE” is common to numerous other trade-marks that are the subject of registrations and applications, including marks for use in association with tobacco-related products as indicated above. While the Registrar has accepted most of these applications and registrations without any need for a disclaimer to the word “RESERVE”, the fact remains that the evidence in the record shows that there are at least six registrations for trade-marks in which “RESERVE” is used in association with tobacco products, which fact is not contested by the Applicant. Furthermore, and as indicated above, the Applicant itself has acknowledged, to some extent, the descriptive character of the word “RESERVE” in the context of the Wares. The fact that the Applicant seeks to register the word “RESERVE” by itself rather than the words “SPECIAL RESERVE” as these words are found in the above-mentioned third party tobacco products registrations does not render the Mark merely suggestive. As indicated above, the Mark must not be carefully analysed, but rather must be considered as a matter of immediate impression. While the Opponent’s evidence may not be substantial, I find that it is nevertheless sufficient in light of my comments above, to render the variety of meanings contended by the Applicant unlikely.

[21]. To conclude, I find that the Opponent has discharged its initial evidential burden necessary to put into issue the allegations that the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the Wares. Having regard to the foregoing analysis, I find that the Applicant has failed to show, on a balance of probabilities that the applied for Mark,

on first impression, does not clearly describe, in a manner that is easy to understand, a certain characteristic of the Wares. Accordingly, the s. 12(1)(b) ground of opposition succeeds.

Section 12(1)(d) ground of opposition

[22]. The Opponent has filed through the Lao affidavit, certified copies of the two trade-mark registrations relied upon by the Opponent in support of that ground. I have exercised my discretion to review the register of trade-marks and confirm the current status of these registrations. As they are in good standing, the Opponent's initial burden with respect to this ground of opposition has been satisfied.

[23]. Because of this evidence by the Opponent, the Applicant must establish on a balance of probabilities that there is no reasonable likelihood of confusion between the Mark and the said registrations.

[24]. 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.

[25]. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at s. 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 the trade-marks have 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. This list is not exhaustive and different weight will be attributed to different factors according to the context [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.); and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée and al* (2006), 49 C.P.R. (4th) 401, [2006] 1 S.C.R. 824 (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

[26]. A detailed analysis of the s. 6(5) factors is not required in the present case. Suffice it to say that although the wares and channels of trade of the marks at issue are the same, each of the third party marks is sufficiently different from the Mark to make confusion unlikely.

[27]. Indeed, while the entirety of the Applicant's Mark is an element of both of the cited registrations, there is no similarity in the first portions of each of the marks, namely MACDONALD, DUNHILL and RESERVE. It is a well-accepted principle that the first portion of a trade-mark is the most relevant for the purposes of distinction [see *Conde Nast Publications Inc. v. Union des Éditions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.), at 188]. Considering the very significant differences existing between the Mark and each of the cited marks, and the descriptive character of the word "RESERVE" as per my discussion above, I do not find it necessary to detail here the analysis made in regard to each of these marks.

[28]. In view of my conclusions above, I find that the Applicant has satisfied its onus to show that, on a balance of probabilities, there is no reasonable likelihood of confusion between the marks in issue as to the source of the parties' wares. The s. 12(1)(d) ground of opposition is accordingly dismissed.

[29]. In its written argument, the Opponent has submitted in the alternative the following:

"C.2.(j) In the alternative, if the Hearing Officer finds the subject mark not to be confusing with the registered trade-marks identified on the basis that the other components in each of the trade-marks at issue is sufficient to distinguish each mark, it is submitted that the word RESERVE in the subject mark is a non-distinctive and weak component which is a common English word that ought to be available to all traders in the field."

[30]. Given my comments above with respect to the s. 12(1)(b) ground of opposition, I do not find it necessary to comment further on these latter contentions of the Opponent.

Non-distinctiveness ground of opposition

[31]. The Opponent contends that the Mark is not distinctive of the Applicant as it does not distinguish the wares of the Applicant nor is it adapted so as to distinguish them. At the oral hearing, the Applicant has contended that this ground of opposition was not properly pleaded. I agree with the Applicant that the wording of that ground lacks specificity. However, considering the statement of opposition as a whole as well as the evidence filed in the record, I interpret this pleading as contending that the applied for Mark is incapable of distinguishing the Wares of the Applicant because a) it is clearly descriptive or deceptively misdescriptive or b) it is confusing with the registered trade-marks MACDONALD'S SPECIAL RESERVE and DUNHILL SPECIAL RESERVE [see *Novopharm Ltd. v. AstraZeneca AB et al.* (2002), 21 C.P.R. (4th) 289, at 293(F.C.A.)].

[32]. Having found that the Applicant's proposed use Mark is unregistrable under s. 12(1)(b), I necessarily also find that it is not distinctive. The non-distinctiveness ground of opposition accordingly also succeeds.

Section 30(i) ground of opposition

[33]. The Opponent contends that in view of the existence of Canadian trade-mark registration Nos. TMA191,379 and TMA487,953 for the trade-marks MACDONALD'S SPECIAL RESERVE and DUNHILL SPECIAL RESERVE of which the Applicant was allegedly aware, the Applicant could not have been satisfied that it was entitled to registration of its trade-mark RESERVE.

[34]. This ground is dismissed because the Opponent has not met its initial evidential burden in regard thereto. Specifically, there is no evidence that the Applicant was aware of the said trade-mark registrations, no evidence of the reasons why it should have been aware of these registrations and no evidence that the Applicant was not in fact satisfied that it was not entitled to

use its Mark in Canada. A s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant, which is not the case here.

Disposition

[35]. Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the Applicant's application pursuant to s. 38(8) of the Act.

DATED AT Montréal, Québec, THIS 16th DAY OF July 2009.

Annie Robitaille
Member
Trade-marks Opposition Board