



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

Citation: 2011 TMOB 53
Date of Decision: 2011-03-28

**IN THE MATTER OF AN
OPPOSITION by Grand River
Enterprises Six Nations Ltd. to
application No. 1,331,114 for the
trade-mark NATIVE ONE PKs &
Design in the name of Native One
Inc.**

FILE RECORD

[1] On January 12, 2007, Native One Inc. filed an application to register the trade-mark NATIVE ONE PKs & Design, illustrated below:



[2] The application is based on (i) use of the mark since at least as early as December, 2006 in association with “cigarettes” and (ii) proposed use of the mark in association with “smoker’s articles, namely tobacco, cigars and other tobacco products, and roll-your-own

cigarette products, namely cigarette tubes, cigarette papers, and machines for rolling cigarettes.”

[3] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated December 19, 2007 and was opposed by Grand River Enterprises Six Nations Ltd. on January 29, 2008. The Registrar forwarded a copy of the statement of opposition to the applicant on May 6, 2008, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by (i) requesting an extension of time to file its counter statement and (ii) requesting an interlocutory ruling on the sufficiency of the statement of opposition. After considering submissions from both parties, the Board issued a ruling on August 26, 2008 striking out one paragraph of the statement of opposition. The applicant responded by filing a counter statement dated September 2, 2008 in answer to the statement of opposition as amended by the Board’s ruling. The opponent subsequently requested leave to file an amended statement of opposition, dated September 4, 2008. After considering submissions from both parties, the Board issued a ruling on October 28, 2008 striking out one paragraph of the proposed amended statement of opposition. The applicant responded by requesting leave to file an amended counter statement, dated October 30, 2008, in answer to the statement of opposition then of record. The Board accepted the amended counter statement in its ruling of January 20, 2009.

[4] The opponent’s evidence consists of the affidavits of Steve Williams, Penny Fede and two affidavits of Fang Dong. The applicant’s evidence consists of the affidavits of Patti Terry, Dane Penney, James Ross and Derek Wagenaar, as well as a certified copy of the file history for trade-mark application No. 739,212. Both parties filed written arguments and both parties were represented at an oral hearing held on March 3, 2001.

STATEMENT OF OPPOSITION

[5] The first ground of opposition, pursuant to s.30(i) of the *Trade-marks Act*, alleges that the applicant could not have been satisfied that it was entitled to use the applied for mark NATIVE ONE PKs & Design because the applicant was aware of the prior rights of the opponent in the mark DK’S, registration No. TMA624,135, for use in association with cigarettes, loose leaf tobacco and fine cut tobacco.

[6] The second ground of opposition, pursuant to s. 12(1)(d) of the *Act*, alleges that the applied for mark NATIVE ONE PKs & Design is not registrable because it is confusing with the opponent's registered mark DK'S referred to above.

[7] The third ground alleges that the applicant is not entitled to registration because the applied for mark is confusing with the opponent's mark DK'S previously used and made known in Canada by the opponent in association with tobacco products.

[8] I note that the third ground, above, is based on s.16(1)(a) and s.16(3)(a) of the *Trade-marks Act* although those sections are not explicitly pleaded in the statement of opposition.

OPPONENT'S EVIDENCE

Steve Williams

[9] Mr. Williams identifies himself as President of the opponent company Grand River Enterprises Six Nations Ltd., which has been in existence since 1996. Attached as Exhibit B to his affidavit is a copy of the opponent's registration for the trade-mark DK'S. The application which led to the registration was based on use of the mark since December 1997, in association with "cigarettes, loose leaf tobacco and fine cut tobacco." Attached as Exhibit C to his affidavit is a copy of the opponent's prior application (No. 899,039) for the mark DK'S, filed on December 11, 1998, based on proposed use of the mark in association with "tobacco products." Application No. 899,039 was allowed (on February 4, 2000) but was subsequently deemed abandoned (on January 9, 2002) because a declaration of use was not filed pursuant to s. 40 of the *Trade-marks Act*.

[10] Attached as Exhibit D to his affidavit is a copy of a still prior application (No. 739,212) for the mark DK'S, filed on October 14, 1993, based on proposed use of the mark in association with "smoking tobacco and cigarettes." Application No. 739,212 was filed in the name of Turtle Island Trading, a partnership composed of three individuals. The application was opposed and subsequently abandoned. Mr. Williams notes in his affidavit that "... one of the partners Mr. Peter Montour is still employed by Grand River Enterprises Six Nations Ltd."

[11] Revenues generated through sales of DK'S brand cigarettes amounted to about \$450,000 in 1999, rising steadily to about \$4.6M in 2002, and increasing sharply to

\$14.6M in 2003. Revenues doubled after 2003, averaging about \$29.1M annually for each of the years 2004 – 2007. Attached as Exhibit I to Mr. Williams’ affidavit “are copies of DK’S packaging used in Canada over the years.”

[12] Mr. Williams testifies that the applicant “operates in the same community and serves the same clientele as my company” and notes that the two parties share the same postal code. Mr. Williams further notes that D.H. Miles Hill, who is listed as a director and officer of the applicant company, appears to be the same Miles Hill who was a customer of the opponent from 1999 to 2002. Exhibit H of Mr. Williams’ affidavit consists of copies of purchase orders showing Miles Hill purchasing various products from the opponent including DK’S cigarettes.

Penny Fede

[13] Ms. Fede’s affidavit serves to introduce into evidence, by way of two exhibits, portions of the subject file wrapper. In particular, the exhibit material includes the applicant’s reply to an objection raised by a trade-marks application Examiner during prosecution of the application. The Examiner raised the objection that the applied for mark was confusing with a registered third party mark NATIVE used in association with cigarettes. The applicant replied to the objection by arguing that:

The word NATIVE is a common dictionary word that, due to the significance of tobacco in native culture and history, is suggestive when used in association with tobacco products . . . While the subject mark contains the word NATIVE, it is combined with the word ONE to identify the applicant’s trade-name “NATIVE ONE.” The subject mark [the applied for mark] also contains other dominant elements . . . including the letters PKS in stylized script, a globe and compass design, and a chevron design.

Fang Dong

[14] Mr. Dong identifies himself as an employee of the firm representing the opponent. His affidavits serve to introduce into evidence the results of computer searches concerning trade-marks owned by the applicant. It appears from the evidence that the applicant is the owner of a family of “CHIPPEWA” marks for tobacco products, including for example, CHIPPEWA CHIEFS, CHIPPEWA GOLD, CHIPPEWA (RED PACK) and CHIPPEWA (SILVER PACK).

APPLICANT'S EVIDENCE

James Ross

[15] Mr. Ross identifies himself as a licensed private investigator. He attended a convenience store and a tobacco shop in Etobicoke, Ontario under the instructions to purchase cigarettes with “brands consisting of an acronym (particularly acronyms containing the letter “K”), packaging that is red in colour and/or packaging for King size cigarettes.” From an inspection of the Exhibit material attached to his affidavit, I note that Mr. Ross purchased cigarettes sold under the following brands:

EXPORT ‘A’
MACDONALD SPECIAL 150
VICEROY
PETER JACKSON
PODIUM
DU MAURIER
NUMBER SEVEN & Design
PALL MALL
ACCORD & Design

Patti Terry

[16] Ms. Terry identifies herself as a licensed private investigator, working for the same firm as James Ross. Ms. Terry was instructed to conduct Internet searches for the following word strings:

ks cigarettes
k’s cigarettes
du Maurier ks cigarettes
du Maurier k’s cigarettes

The results of her searches are compiled as exhibits to her affidavit. From my review of the exhibit material, it appears that the term “ks” or “k’s,” when appearing in capital form in association with cigarettes or as a component of a trade-mark for cigarettes, will likely denote a “king size” cigarette.

Derek Wagenaar

[17] Mr. Wagenaar identifies himself as an employee of a tobacco shop in Oshweken

(a village on the Six Nations of the Grand River First Reserve) during the period July 2006 to January 2008. Mr. Wagenaar recalls seeing NATIVE ONE brand cigarettes since at least as early as December 2006, and attaches as Exhibit C to his affidavit “a picture depicting the packaging in which Native One brand cigarettes were sold.” The picture that Mr. Wagenaar refers to appears to be the same as the applied for mark except for an additional design feature namely, an illustration of a two engine aeroplane in the space below the component PKs.

[18] Mr. Wagenaar also attaches as Exhibit A to his affidavit photocopies of three packages of cigarettes that he purchased at a convenience store in Oshweken. It appears that two of the packages are sold under the brand DK’S & Design and manufactured by King Enterprises, LCC in Oshweken. The third package is sold under the brand DU MAURIER.

Dane Penney

[19] Mr. Penney identifies himself as a trade-mark searcher for the firm representing the applicant. His affidavit serves to introduce into evidence particulars of five related trade-mark applications, for use in association with cigarettes, filed by a third party namely, ITC Limited, of India. Three of the applications feature the component IK as a prominent part of the mark. All five applications are based on proposed use in Canada.

LEGAL ONUS AND EVIDENTIAL BURDEN

[20] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

MAIN ISSUE & MATERIAL DATES

[21] With respect to the first ground of opposition, s.30(i) applies if fraud is alleged on the part of the applicant or if specific federal statutory provisions prevent the registration of the mark applied for: see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155 and *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 C.P.R. (3d) 221. In the instant case the pleadings do not support a s.30(i) ground of opposition, and it is therefore rejected.

[22] The main issue in this proceeding is whether the applied for mark NATIVE ONE PKs & Design is confusing with the opponent's mark DK'S. The legal onus on the applicant is to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Act*, shown below, between the applied for mark and the opponent's mark:

The 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 . . . associated with those trade-marks are manufactured . . . by the same person, whether or not the wares . . . are of the same general class.

[23] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of cigarettes and other tobacco and related products emanating from the applicant as products emanating from or sponsored by or approved by the opponent.

[24] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the ground of opposition alleging non-registrability: see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.); (ii) the date of alleged first use of the mark, in this case December 31, 2006, with respect to the ground of opposition alleging non-entitlement for the wares "cigarettes;" (iii) the date of filing the application, in this case January 12, 2007, with respect to the ground of opposition alleging non-entitlement for the remaining wares: see s.16(1)(a) and s.16(3)(a) of the *Trade-marks Act*, respectively. However, in the

circumstances of the instant case, nothing turns on whether the issue of confusion is assessed at a particular material date.

TEST FOR CONFUSION

[25] The test for confusion is one of first impression and imperfect recollection, as noted by Mr. Justice Denault in *Pernod Ricard v. Molson Breweries* (1992) 44 C.P.R. (3d) 359 at 369 (F.C.T.D.):

The test of confusion is one of first impression. The trade marks should be examined from the point of view of the average consumer having a general and not a precise recollection of the earlier mark. Consequently, the marks should not be dissected or subjected to a microscopic analysis with a view to assessing their similarities and differences. Rather, they should be looked at in their totality and assessed for their effect on the average consumer as a whole.

[26] Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in s.6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

Consideration of s.6(5) Factors

inherent and acquired distinctiveness

[27] The opponent's mark DK'S possesses a low degree of inherent distinctiveness as it is comprised of a string of letters of the alphabet. The inherent distinctiveness of the mark is further lessened, when used in association with cigarettes, as the letters KS indicate a "king size" cigarette.

[28] I am in general agreement with the opponent, at page 13 of its written argument, that "the essential core of the Applicant's trade-mark is PKs and the term NATIVE ONE is inherently weak" although I might have phrased the point differently. In my view, the

consumer would focus on the component PKs and would likely assume that the component NATIVE ONE identifies the trade-name of the applicant (see paragraph 13, above) or possibly identifies a house brand of the applicant while PKs is the brand of the specific product being purchased. In this regard, I note the spatial separation of the words NATIVE ONE from the component PKs, the diminutive stature of the term NATIVE ONE relative to the size of the term PKs and the use of a font for NATIVE ONE different from the stylized font for PKs.

[29] Further, the design features below the term NATIVE ONE are not particularly distinctive and would likely be regarded as ornamental rather than as having trade-mark significance. As the component PKs forms the central dominant portion of the applied for mark, I do not consider that the applied for mark as a whole is significantly more inherently distinctive than the opponent's mark.

[30] Given Mr. Williams evidence concerning sales under the opponent's mark DK'S, I am prepared to infer that the opponent's mark had acquired a fair reputation in Canada at all material times. Given Mr. Wagenaar's limited evidence concerning sales under the applicant's mark NATIVE ONE PKs & Design, I infer that the applicant's mark had acquired no more than a minimal reputation in Canada at all material times. Thus, the first factor in s.6(5), which is the combination of inherent distinctiveness and acquired distinctiveness, favours the opponent. I would add that Mr. Wagenaar's limited evidence of third party use of the mark DK'S is insufficient to diminish the acquired distinctiveness that I have attributed to the opponent's mark.

[31] The applicant submits in its written argument that the opponent is not using its mark DK'S but is using the mark DK'S & Design where the design feature is a stylized crown. In my view, in the instant case use of the mark DK'S & Design qualifies as use of the mark DK'S *per se*: see *Nightingale Interloc v. Prodesign Ltd.* (1984), 2 C.P.R.(3d) 535 at 538 (TMOB) under the heading *Principle 1*.

length of time marks have been in use; nature of wares and trades

[32] The second factor specified in s.6(5), which is the length of time that the parties' marks have been in use, also favours the opponent as it has been using its mark since at least 1999, while the applicant's use of its mark did not begin until December 2006. The

natures of the parties' wares are the same with respect to cigarettes and otherwise closely related. In the absence of evidence to the contrary, I assume that the parties' channels of trade would also be the same or closely related. These two latter factors favour the opponent in the sense that it would assist the applicant's case to distinguish its wares and channels of trade from those of the opponent.

resemblance

[33] The overall visual appearance of the applied for mark differs from the opponent's mark mostly owing to (i) the chevron design feature (ii) the component NATIVE ONE, and (iii) the design feature below the component NATIVE ONE. However, the chevron design feature is not inherently distinctive, and as discussed in paragraph 26 above, it is far from clear that either the component NATIVE ONE or its adjacent globe and compass design feature would be perceived as having trade-mark significance. It is more likely that the public would perceive the component PKs as the dominant visual feature of the applied for mark. It follows that the visual perception of the applied for mark resembles the opponent's mark DK'S, regardless of the difference in the script form of PKs and the block form of the opponent's mark DK'S: see *Canadian Jewish Review Ltd. v. The Registrar of Trade Marks* (1961) 37 C.P.R. 89 at 93 (Ex. C.) concerning "embellishment of letters."

[34] Again, assuming that the public would sound the applied for mark as PKs rather than by incorporating the term NATIVE ONE, the applied for mark resembles the opponent's mark DK'S when sounded. Lastly, and again assuming that the applied for mark would be perceived as PKs, both parties' marks suggest the idea of "king size" when used in association with cigarettes and related products. In view of the foregoing, I find that the parties' marks resemble each other more than they differ from each other. In the result, it is apparent that none of the five factors set out in s.6(5) favours the applicant.

JURISPRUDENCE - WEAK MARKS

[35] The applicant has brought to my attention an established principle in trade-marks law that small differences in "weak marks" will suffice to avoid confusion. The principle

is stated in *GSW Ltd. v. Great West Steel Industries* (1975) 22 C.P.R.(2d) 154 at 163-164 and at 169 (F.C.T.D.) as follows:

In short, where a trader has appropriated **letters of the alphabet** as a design mark without accompanying distinctive indicia, and seeks to prevent other traders from doing the same thing, the range of protection to be given that trader should be more limited than in the case of a unique trade mark and **comparatively small differences are sufficient to avert confusion** and a greater degree of discrimination may fairly be expected from the public in such instances.

As I have indicated above there is ample judicial authority for the proposition that **in the case of “weak” marks, small differences may be accepted to distinguish one from the other** and a greater degree of discrimination may be fairly expected of the public.

(emphasis added)

[36] Taking into account the principle stated in *GSW Ltd.*, above, and applying it to the considerations discussed under s.6(5) of the *Act*, I find that the balance of probabilities for and against the issue of confusion is evenly balanced between the parties at all material times. Accordingly, I must find against the applicant.

[37] I would add that if the circumstances of the case were different, that is, if the applicant had established a significant degree of acquired distinctiveness for its mark, then the balance of probabilities would likely have tipped in favour of the applicant.

DISPOSITION

[38] In view of the foregoing, the application is refused. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig
Member
Trade-marks Opposition Board