

IN THE MATTER OF AN OPPOSITION by Imperial Tobacco Limited to application No. 773,162 for the trade-mark HERO & Design filed by N.V. Sumatra Tobacco Trading Company

On January 17, 1995, the applicant, N.V. Sumatra Tobacco Trading Company, filed an application to register the trade-mark HERO & Design, a representation of which appears below, based upon use and registration of the trade-mark in Indonesia in association with “cigarettes”, as well as being based upon proposed use of the trade-mark in Canada in association with “cigarettes; cigarette lighters”. The applicant disclaimed the right to the exclusive use of the words KING SIZE and 20 CLASS A CIGARETTES apart from its trade-mark.



The present application was advertised for opposition purposes in the *Trade-marks Journal* of December 20, 1995 and the opponent, Imperial Tobacco Limited, filed a statement of opposition on February 19, 1996, a copy of which was forwarded to the applicant on March 13, 1996. The applicant served and filed a counter statement on July 8, 1996. The opponent filed as its evidence the affidavits of Denise Johnson, Herbert McPhail, Margaret Kruszewski and Melissa J. Payne while the applicant filed as its evidence the affidavit of Karen E. Thompson. Both parties filed a written argument and both were represented at an oral hearing.

As its first two grounds of opposition, the opponent has alleged that the present application does not comply with Section 30 of the *Trade-marks Act* since the applicant’s alleged trade-mark is not a trade-mark in that the specimens filed in support of the application show that the alleged trade-mark comprises a package blank which, when folded or assembled, may be used to package cigarettes. Further, according to the opponent, the unfolded blank is not itself a trade-mark and is not the subject matter of protection under the *Trade-marks Act*. The opponent also alleged that the applicant’s mark has not been used in Indonesia as claimed in the application, and that the applicant has no intention to use the alleged mark in Canada.

While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Section 30 grounds [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. To meet the evidential burden upon it in relation of a particular issue, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293, at p. 298]. Further, the material time for considering the circumstances respecting the issue of non-compliance with Section 30 of the *Act* is the filing date of the present application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

The opponent submitted the affidavit of Margaret Kruszewski in support of its Section 30 grounds. Ms. Kruszewski states that, on February 6, 1997, she reviewed the Trade-marks Office file for the present application and noted that unfolded cigarette package blanks had been filed as specimens by the applicant, as was required at that time by the Trade-marks Office. Annexed to her affidavit is a photocopy of one of the unfolded cigarette package blanks. The opponent submits that the unfolded blank is not itself a trade-mark as contemplated by the *Trade-marks Act* and, as a result, the applicant could not have used its trade-mark in Indonesia as claimed in the application and the applicant has no intention of using the trade-mark in Canada.

A “trade-mark” is defined in Section 2 of the *Trade-marks Act* and “use” of a trade-mark in association with wares is defined in Subsection 4(1) of the *Trade-marks Act* as follows:

"trade-mark" means

- (a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,
- (b) a certification mark,
- (c) a distinguishing guise, or
- (d) a proposed trade-mark;

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

In the present case, the opponent’s evidence is sufficient to meet its evidential burden in

relation to its Section 30 grounds. In particular, the evidence relating to the applicant's specimens shows that the applicant may be seeking to register its trade-mark in a manner different from the way in which it would normally be presented to the average consumer of the applicant's wares, at the time of the transfer of the property in or possession of those wares, in the normal course of trade. As a result, it would appear that the applicant does not intend to "use" its trade-mark in the manner contemplated by Subsection 4(1) of the *Trade-marks Act*.

In view of the above, the legal burden is upon the applicant to satisfy the Registrar that its application complies with Section 30 of the *Act*. The applicant has submitted in its written argument that others, including the opponent, have obtained registrations for similar marks in Canada. However, I am not aware of any decision either of the Registrar in an opposition proceeding or of the Federal Court where the issue of such a mark as is covered in the present application has been considered and where at least some evidence has been adduced to support the allegation that the mark may not be used in the manner in which it is being sought to be registered. Moreover, I would note that the Registrar is not bound by any previous errors which may have been made in the past.

The applicant has also submitted that there is nothing in the *Trade-marks Act* which precludes its mark from functioning as a trade-mark. That indeed may be the case. However, in seeking to register its mark as a proposed use trade-mark, the applicant, by itself or through a licensee, or by itself and through a licensee, must intend to use the trade-mark in Canada in association with the wares covered in the application. In the present case, the evidence of record in this opposition supports the opponent's allegation that the applicant may not intend to use the trade-mark covered in the present application and, as noted above, that evidence is sufficient to meet the evidential burden on the opponent in relation to its Section 30 grounds. Since the applicant has failed to establish that it intends to use its trade-mark in the manner in which it is presented in the present application, it has failed to meet its legal burden in relation to the Section 30 grounds. As a result, the Section 30 grounds are successful.

As its remaining grounds of opposition, the opponent has alleged that the applicant's trade-mark is not registrable and not distinctive, and that the applicant is not the person entitled to its

registration, in that the applicant's trade-mark is confusing with its HERO trade-marks as registered and previously used in Canada. The opponent has identified sixteen registered trade-marks in its statement of opposition and has annexed photocopies of the registrations to the statement of opposition. Further, the McPhail affidavit introduces photocopies of the registrations as evidence in the opposition. In her affidavit, Denise Johnson, Manager - Trade-marks, Patents & Copyrights for the opponent, states that common to all of the opponent's trade-marks identified in the statement of opposition is the logo that is the specific subject matter of registrations TMDA11355, TMDA23018 and TMA277,502. Representations of the trade-marks covered by these registrations are set out below.



TMA277,502



TMDA11355

TMDA23018



In assessing whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances including, but not limited to, those specifically enumerated in Subsection 6(5) of the *Trade-marks Act*. Further, the Registrar must bear in mind that the onus or legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the date of decision, the material date in respect of the Paragraph 12(1)(d) ground of opposition [see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. et al*, 37 C.P.R. (3d) 413 (F.C.A.)]. I would also note that the material dates in relation to the non-entitlement and non-distinctiveness grounds are, respectively, the applicant's filing date [January 17, 1995] and the date of opposition, that is, February 19, 1996.

Considering initially the inherent distinctiveness of the trade-marks at issue [Para. 6(5)(a)] and the extent to which the trade-marks have become known [Para. 6(5)(a)], both the applicant's

trade-mark HERO & Design and the opponent's trade-marks identified in its statement of opposition are inherently distinctive. While no evidence has been furnished by the applicant to show that its trade-mark has become known to any extent in Canada, the opponent has shown that its trade-marks have become well known in Canada in association with cigarettes, cut tobaccos and other tobacco products, and to a lesser extent in association with non-tobacco products such as cigarette lighters. Indeed, according to Ms. Johnson, PLAYERS cigarettes are one of the three largest selling cigarette brands in Canada. Thus, the extent to which the trade-marks at issue have become known clearly favours the opponent.

The length of time the trade-marks at issue have been in use [Para. 6(5)(b)] is a further factor which weighs in the opponent's favour, the opponent having used its design trade-mark covered by one or other of its trade-mark registrations in Canada since early 1900. As for the nature of the wares [Para. 6(5)(c)] and the nature of the trade [Para. 6(5)(d)] of the parties, these are the same in the present case.

With respect to the degree of resemblance between the trade-marks at issue [Para. 6(5)(e)], I find there to be no similarity in appearance, sounding or in the ideas suggested by the applicant's trade-mark and any of the opponent's registered trade-marks when the marks are considered in their entireties as a matter of immediate impression. In particular, and having regard to the size of the lettering used by the opponent in its logo appearing on its wares and the fact that the logo is dominated by the representation of a sailor and other subject matter and is accompanied by the trade-mark PLAYERS, I would not expect the average consumer of the opponent's cigarettes or other tobacco products to have become aware that the word HERO appears on the cap worn by the sailor in the opponent's logo. Further, while the opponent's trade-mark registrations identify the word HERO as appearing on the cap of the sailor appearing in the opponent's logo, the average consumer would not be aware of the contents of the opponent's trade-mark registrations.

The opponent's evidence shows that its logo has appeared in billboard advertising, stadium scoreboards, in-store counter units and displays, storefront faces and painted panels of company trucks and in other promotional materials where the lettering of the word HERO would be larger in

size than it appears on the packages of the opponent's cigarettes. However, I am not convinced that, even in such situations as these, the word HERO appearing in the logos would have been noticed by the average person and would therefore have become recognized by the average consumer as being associated with the opponent's wares. At most, the Johnson affidavit points to reference to the HERO mark having appeared in sponsorship materials which are distributed to persons involved in organizing or staging activities being sponsored by the opponent. However, there is no evidence to show that these materials come to the attention of the average consumer of cigarettes. As a result, I find that the average consumer would not sound the opponent's trade-marks by reference to the word HERO and the presence of the word HERO in the opponent's marks does not have any impact on the ideas suggested by the opponent's marks.

Having regard to the foregoing and, in particular, to the absence of any measurable degree of resemblance between the trade-marks at issue, I find that there would be no reasonable likelihood of confusion between the applicant's trade-mark HERO & Design and the opponent's trade-marks. I have therefore dismissed the grounds of opposition which are based on allegations of a likelihood of confusion between the trade-marks at issue.

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS 24th DAY OF AUGUST, 1999.

G.W. Partington,
Chairperson,
Trade-marks Opposition Board.