

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

Citation: 2011 TMOB 78
Date of Decision: 2011-06-09

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Smart & Biggar against registration
No. TMA150,529 for the trade-mark ROTHMANS &
DESIGN in the name of Rothmans, Benson and Hedges
Inc.**

[1] At the request of Smart & Biggar (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on December 5, 2008 to Rothmans, Benson and Hedges Inc. (the Registrant), the registered owner of the above-referenced trade-mark registration.

[2] The trade-mark ROTHMANS & DESIGN shown below (the Mark) is registered for use in association with cigarettes.



Colour is claimed as a feature of the mark:

The predominating color is dark blue on a background formed of a reseau of light grey lines shown as short parallel lines. The center panel and the lateral bands are blue with gold edging lines. The coat of arms is gold with the center shield in red, the diamonds in the lateral bands being also red. The cartouch is gold and the underlying oblong panel is blue.

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares or services specified in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is any time between December 5, 2005 and December 5, 2008 (the relevant period).

[4] "Use" in association with wares is set out in s. 4(1) and (3) of the Act:

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.

[...]

(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

In this case, s. 4(1) applies.

[5] It is well established that the purpose and scope of s. 45 of the Act is to provide a simple, summary and expeditious procedure for removing deadwood from the register and as such, the threshold test is quite low. As stated by Mr. Justice Russell in *Uvex Toko Canada Ltd. v. Performance Apparel Corp.* (2004), 31 C.P.R. (4th) 270 at para. 68:

[...] We know that the purpose of s. 45 proceedings is to clean up the "dead wood" on the register. We know that the mere assertion by the owner that the trade mark is

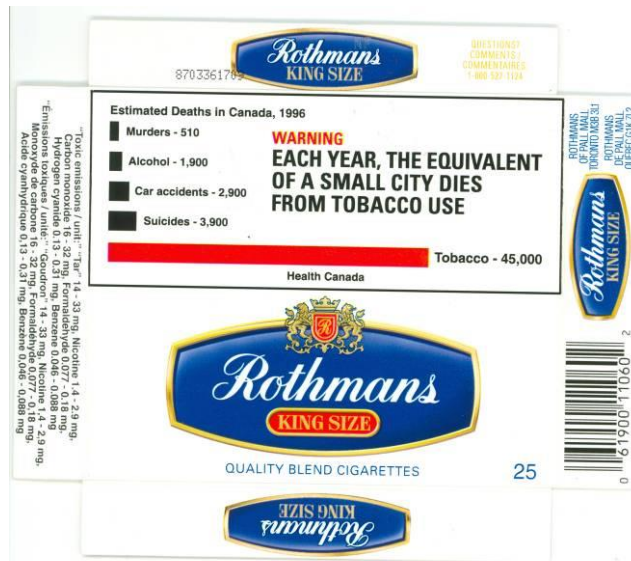
in use is not sufficient and that the owner must "show" how, when and where it is being used. We need sufficient evidence to be able to form an opinion under s. 45 and apply that provision. At the same time, we need to maintain a sense of proportion and avoid evidentiary overkill. We also know that the type of evidence required will vary somewhat from case to case, depending upon a range of factors such as the trade mark owners business and merchandising practices.

[6] Although the threshold for establishing use in these proceedings is quite low and evidentiary overkill is not required, sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the wares or services specified in the registration during the relevant period. In addition, the entire burden is with the registrant [*88766 Inc. v. George Weston Ltd.* (1987), 15 C.P.R. (3d) 260 (F.C.T.D.)] and any ambiguities in the evidence are to be interpreted against the registrant [*Plough (Canada) Ltd v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)].

[7] In response to the Registrar's notice, the Registrant furnished the affidavit of Derek Guile together with Exhibits "A" and "B". Both parties filed written submissions and were represented at an oral hearing.

[8] Mr. Guile has been employed by the Registrant since 1983 and has held the position of Director of Marketing and Sales of the Registrant since June 1, 2006. Mr. Guile attests that the Registrant manufactures and sells tobacco products, including cigarettes, to wholesalers across Canada, who sell these products to retailers who, in turn, sell them to consumers. In some cases the Registrant sells its tobacco products directly to retailers. The cigarettes are sold in cartons containing eight or ten individual packs.

[9] Attached as Exhibit "A" to Mr. Guile's affidavit is a sample carton wrapper and a sample cigarette pack for the Registrant's cigarettes along with photographs of the carton as it appears when distributed in the normal course of trade. Reproduced below is the sample cigarette pack filed by Mr. Guile as Exhibit "A", demonstrating the trade-mark used by the Registrant during the relevant period:



(the Modified Mark)

[10] Also attached to Mr. Guile’s affidavit as Exhibit “B” are sample invoices, all dated during the relevant period, which include sales of product number 01060, identified in Mr. Guile’s affidavit as the product bearing the Modified Mark. I am satisfied that the evidence furnished demonstrates use of the Modified Mark in association with the Wares in Canada during the relevant period.

[11] Accordingly, the only issue that remains to be decided is whether the use of the Modified Mark constitutes use of the Mark as registered. In *Canada (Registrar of Trade-marks) v. Cie Internationale pour l’informatique CII Honeywell Bull SA*, (1985) 4 C.P.R. (3d) 523 (FCA), Mr. Justice Pratte defined the test to determine if a deviation of a trade-mark is considered use of the trade-mark as registered at para. 5:

The problem to be resolved is not whether CII deceived the public as to the origin of its goods. It clearly did not. The real and only question is whether, by identifying its goods as it did, CII made use of its trade mark "Bull". That question must be answered in the negative unless the mark was used in such a way that the mark did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used. The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would be

likely to infer that both, in spite of their differences, identify goods having the same origin.

[12] The Registrant states in his affidavit that the deviations in use of the Mark were the result of federal legislation which requires the placement of health warnings on cigarette packages. Section 15 of the *Tobacco Act* requires all packages for tobacco products to display information mandated by the regulations about health hazards and health effects, and s. 5 and 9 of the *Tobacco Products Information Regulations* require cigarette packages to display health warnings that must occupy at least 50% of the principal display surfaces. It is clear that a requirement to modify a trade-mark in order to comply with legislation other than the *Trade-marks Act* should not be held against a registrant (*Saccone & Speed Ltd. v. Canada (Registrar of Trade Marks)* (1982), 67 C.P.R. (2d) 119 (F.C.T.D.) and in *Marks & Clerk v. Sparkles Photo Ltd.* (2005), 41 C.P.R. (4th) 236 (F.C.)). In this case, the evidence demonstrates that the Mark has been modified such that the top portion of the Mark now incorporates a health warning from Health Canada and one of the sides also contains warnings regarding the health hazards and health effects of the cigarettes. However, while the Registrant may have been required to modify its Mark to comply with the *Tobacco Act* and the *Tobacco Products Information Regulations*, I also note that certain other modifications to the Mark may not have been required, including:

- The words “Quality blend cigarettes” have been added;
- Both blue lateral bands with gold edging lines, a red diamond and “ROTHMANS OF PALL MALL or ROTHMANS KING SIZE have been removed;
- The cartouch has been removed from the center panel;
- The underlying oblong panel has been moved to the centre panel to surround the words KING SIZE;
- The colour of the oblong panel has been changed from dark blue to red; and
- The reseau of light grey lines has been replaced with white parallel lines.

[13] The assessment as to which elements are the dominant features and whether the deviation is minor so as to permit a finding of use of the trade-mark as registered is a question of fact to be

determined on a case-by-case basis. In *Promafil Canada Ltee v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59(FCA), the Court made the following observations:

Obviously, with every variation the owner of the trade mark is playing with fire. In the words of Maclean P., “the practice of departing from the precise form of a trade-mark as registered (...) is very dangerous to the registrant”. But cautious variations can be made without adverse consequences, if the same dominant features are maintained and the differences are so unimportant as not to mislead an unaware purchaser.

[...] The law of trade marks does not require the maintaining of absolute identity of marks in order to avoid abandonment, nor does it look to miniscule differences to catch out a registered trade mark owner acting in good faith and in response to fashion and other trends. It demands only such identity as maintains recognizability and avoids confusion on the part of unaware purchasers.

[14] The Mark as registered comprises the following dominant features: the words ROTHMANS and KING SIZE; the panel, with a predominating dark blue colour, on which these words are located; and the coat of arms. The Modified Mark consists of a modified version of the panel, which is smaller with the words ROTHMANS in a larger font and KING SIZE in a smaller font. An oblong panel with the words ROTHMANS KING SIZE, but without the coat of arms, has been added on three of the four sides of the cigarette package. While other variations have been made to the Mark as detailed above, I find that they are relatively minor. I agree with the Registrant that the Modified Mark has retained all of the dominant features of the Mark, it remains recognizable and would not as a matter of first impression mislead an unaware purchaser.

[15] The Requesting Party submitted that because the Registrant has a separate registration in Canada for a trade-mark that is identical to the front panel portion of the Modified Mark that this amounts to an admission on the part of the Registrant that the Modified Mark is substantially different from the Mark at issue. The fact that the Registrant may own other registered trade-marks is neither in evidence before me nor relevant to my determination in this case under s.45 of the Act. As stated by Hearing Officer Savard in *Austin Nichols & Co. v. Cinnabon, Inc.* (1998), 86 C.P.R. (3d) (T.M.O.B.), commenting on the decision of Rouleau, J. in *John Labatt Ltd. v. Molson Breweries, a Partnership* (1992), 46 C.P.R. (3d) 6 (F.C.T.D.) at para. 18:

(...) it appears that an owner may own several associated trade-marks and the use of one of the marks or a very similar mark may constitute use of each of the trade-marks if the marks are not substantially different and when the deviation is such that no person would be deceived. Therefore, the fact that the present registrant owns several trade-marks which are associated does not affect the issue in any way.

[16] In view of the foregoing, I am satisfied that there was use of the Mark within the meaning of s. 45 and 4(1) of the Act in association with cigarettes during the relevant period.

Disposition

[17] Accordingly, and pursuant to the authority delegated to me under s. 63(3) of the Act, registration No. TMA150,529 for the trade-mark ROTHMANS & Design will be maintained in compliance with the provisions of s. 45 of the Act.

Darlene Carreau
Chairperson
Trade-marks Opposition Board
Canadian Intellectual Property Office