

IN THE MATTER OF AN OPPOSITION
by RJR-MacDonald Inc. to applica-
tion No. 612,014 for the trade-mark
EXPERT filed by C.T.C. Tube Co.
of Canada Inc./C.T.C. Compagnie
de Tubes du Canada Inc. also trading
as CTC-Canada Inc.

On July 28, 1988, the applicant, C.T.C. Tube Co. of Canada Inc./C.T.C. Compagnie de Tubes du Canada Inc., also trading as CTC-Canada Inc., filed an application to register the trade-mark EXPERT based on proposed use in Canada for the following wares:

cigarette papers and cigarette paper tubes;
cigarette papers and cigarette paper booklets;
cigarette rolling devices; cigarette making
machines and parts therefor.

The application was advertised for opposition purposes on January 4, 1989.

The opponent, RJR-MacDonald Inc., filed a statement of opposition on May 4, 1989 and a revised statement of opposition on May 10, 1989. A copy of the revised statement was forwarded to the applicant on June 30, 1989. The opponent was subsequently granted leave to amend its statement of opposition.

The opponent's first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(i) of the Trade-marks Act. The opponent alleges that the applicant could not have been satisfied that it was entitled to use its proposed mark in Canada because it was aware or should have been aware of the opponent's trade-marks EXPORT, EXPORT A and EXPORT A & Design. The second ground is that the applied for trade-mark is not registrable pursuant to Section 12(1)(b) of the Act because it is a laudatory description.

The third ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with the following registered marks of the opponent:

<u>Trade-mark</u>	<u>Reg. No.</u>	<u>Wares</u>
EXPORT	TMDA43755	(1) cigarettes, cigars and tobacco in all forms (2) cigarette papers (3) cigarette roller machine
EXPORT "A"	119,430	(1) cigarettes (2) cigarette lighters
EXPORT "A" & Design	203,832	cigarettes, cigars and tobacco products

The fourth ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-marks EXPORT and EXPORT A previously used in Canada by the opponent. The fifth ground of opposition is one of prior entitlement based on the opponent's previously filed applications which matured into the three registrations noted above. The sixth ground is that the applicant's trade-mark is not distinctive in view of the foregoing.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavit of Anne Jardine, its Vice-President of Marketing. As its evidence, the applicant filed the affidavits of Jean Reavley and Michael Godwin. Both parties filed a written argument and an oral hearing was conducted at which both parties were

represented.

Initially, it should be noted that the opponent's fifth ground of opposition is unsuccessful in view of the provisions of Section 16(4) of the Act. None of the opponent's previously filed applications was pending as of the date of advertisement of the applicant's application.

As for the third ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R. (3d) 538 at 541-542 (T.M.O.B.). The onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Furthermore, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act. Finally, only the first two of the opponent's three registered marks will be considered since the third mark is less relevant and there is no clear evidence of the extent to which that specific mark has been used.

The applicant's mark is inherently weak. The proposed mark EXPERT is somewhat laudatory when used with the applicant's proposed wares and is suggestive. There is no evidence of use of the applicant's mark and I must therefore consider that it has not become known at all in Canada.

The opponent's marks EXPORT and EXPORT "A" are also inherently weak since they suggest that the associated wares are for export. However, unlike the applicant's mark, the opponent's marks have been used and advertised.

In her affidavit, Ms. Jardine describes the opponent's business. For many years, the opponent has sold cigarettes, fine cut tobacco, cigarette tubes and cigarette papers in association with its trade-mark EXPORT. Since the mid-1950's, the opponent has also sold cigarettes in association with the trade-mark EXPORT "A". Ms. Jardine provides total unit sales figures for her company's various products sold in association with her company's EXPORT marks. Unfortunately, she did not provide a breakdown of those sales by specific mark and by specific product. Thus, I must presume that most of the opponent's more recent sales have been of EXPORT "A" cigarettes. However, from a review of the representative advertisements appended as Exhibit D to the Jardine affidavit, I am able to infer that at least some of the opponent's more recent sales have been of EXPORT fine cut tobacco and EXPORT cigarette tubes. Thus, I am able to conclude that the opponent's trade-mark EXPORT "A" has become well known throughout Canada in association with cigarettes. I am also able to conclude that the opponent's trade-mark EXPORT has become known at least to some extent in association with fine cut tobacco and cigarette tubes.

The length of time the marks have been in use clearly favors the opponent. There is a direct overlap in the wares of the present application and those of the opponent listed in registration No. TMDA43755 for the trade-mark EXPORT. Both include cigarette papers and cigarette making machines although the opponent has not evidenced the extent to which it has used its mark EXPORT on such wares. The additional wares of the parties

are related since the applicant's cigarette papers, cigarette tubes and cigarette making machines would be used by consumers with the opponent's fine cut tobacco to make cigarettes. The natures of the parties trades are such that they would be in direct competition. The opponent manufactures and sells fine cut tobacco, cigarette papers and cigarette tubes and markets these products together (see Exhibit D to the Jardine affidavit). Thus, it is reasonable to presume that the opponent's EXPORT fine cut tobacco could be sold next to the applicant's EXPERT products.

It is the applicant's contention that the trades of the parties are distinct in view of the Tobacco Products Control Act which was given Royal Assent on June 28, 1988. That statute precludes a tobacco manufacturer from using his tobacco product trade-marks on non-tobacco products. The applicant contends that the opponent is thereby precluded from asserting rights in its trade-marks EXPORT and EXPORT "A" beyond its trade in tobacco products. I disagree. Even if the opponent is now prevented from selling EXPORT cigarette tubes and cigarette papers by virtue of the Tobacco Products Control Act, it is not prevented from selling such items under other trade-marks. Thus, the trades of the parties would still overlap. Furthermore, there is no evidence that consumers would be aware of the specific provisions of the Tobacco Products Control Act which differentiate between tobacco and non-tobacco products. Thus, if a consumer purchases a brand of fine cut tobacco and filter tubes sold under a similar brand, he or she would likely assume some connection or common source between the two products.

As for Section 6(5) (e) of the Act, I find that there is a fairly high degree of resemblance between the marks at issue both phonetically and visually. The applicant's mark is the word EXPERT which differs only in respect of one letter from the first component of each of the opponent's two marks, namely, the word EXPORT. There is no resemblance in the ideas suggested by the marks.

The applicant contended that the state of the marketplace (as evidenced by the Reavley affidavit) and the state of the trade-marks register (as evidenced by the Godwin affidavit) lessen the likelihood that consumers would mistake the marks at issue. I do not agree. The Reavley affidavit, for the most part, deals with the use of the word EXPORT in association with various brands of foreign beer and in association with several Canadian beers. Such evidence is irrelevant respecting the trades at issue in the present case, namely, tobacco products and cigarette making products.

As submitted by the opponent, the state of the register evidence submitted by way of the Godwin affidavit must be given reduced weight since Mr. Godwin has provided incomplete particulars of the trade-marks located: see the opposition decision OneDec Maple Products v. Stafford Foods Ltd. (1988), 20 C.P.R. (3d) 404. In any event, whatever weight is given to the Godwin affidavit, the results of his searches are essentially irrelevant to this opposition. Mr. Godwin located a large number of trade-marks incorporating the word EXPERT. However, apart from one expunged registration owned by the opponent and three applications by the applicant (this one and two other related applications also opposed by the opponent), none of the marks located relate to tobacco products or smoking accessories. Mr. Godwin also located a large number of trade-marks incorporating the word EXPORT. About half of those marks are owned by the opponent and the rest have nothing to do with the wares and trades at issue in the present case. Thus, the Godwin affidavit provides effectively no evidence from which I could infer that there

has been common adoption of the word EXPERT or EXPORT as part of trade-marks in the tobacco and smoking accessories trades.

Exhibit C to the Godwin affidavit is a photocopy of the Trade-marks Office file respecting the opponent's expunged registration No. 189,099 for the trade-mark EXPERT for "cigarettes, cigarette tobacco and cigarette making machines." Notwithstanding that the Examiner's search report revealed the existence of two of the opponent's registrations for the trade-mark EXPORT "A", the Examiner did not require that the trade-mark EXPERT be associated with the EXPORT "A" marks pursuant to Section 15 of the Trade-marks Act. It is the applicant's contention that the Examiner's decision was a finding that the trade-mark EXPERT was not confusing with the trade-mark EXPORT "A." The applicant further contends that the Opposition Board is somehow bound by that decision in view of the decision in Canadian Parking Equipment Ltd. v. Registrar of Trade Marks (1990), 34 C.P.R. (3d) 154 at 161 (F.C.T.D.).

First, it is difficult to determine if the Examiner's failure to require that particular marks be associated was an actual decision or merely an oversight. Second, a determination of the issue of confusion between marks at the examination stage is a different exercise than at the opposition stage where evidence has been filed and where the legal burden is on the applicant to show no reasonable likelihood of confusion. Third, the Opposition Board is not in a position to explain why certain decisions were or were not made by an Examiner: see the opposition decision in Thomas J. Lipton Inc. v. Boyd Coffee Co. (1991), 40 C.P.R. (3d) 272 at 277.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the overlap in the wares and trades of the parties and the resemblance between the marks at issue, I find that the applicant has failed to satisfy the onus on it to show that its proposed mark is not confusing with the opponent's registered marks EXPORT and EXPORT "A". Thus, the third ground of opposition is successful and it is unnecessary to consider the remaining grounds of opposition.

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

DATED AT HULL, QUEBEC, THIS 23rd DAY OF December, 1992.

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