



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

**Citation: 2018 TMOB 145**

**Date of Decision: 2018-11-26**

**IN THE MATTER OF AN OPPOSITION**

**Player's Company Inc.**

**Opponent**

**and**

**Rothmans, Benson & Hedges Inc.**

**Applicant**

**1,472,035 for PACK DESIGN**

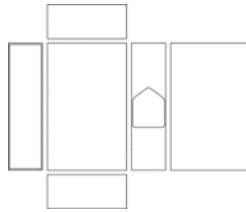
**Applications**

**1,472,036 for PACK DESIGN**

**APPLICATION 1,472,035 FOR PACK DESIGN**

**FILE RECORD**

[1] On March 5, 2010, Player's Company Inc. filed an application to register the distinguishing guise, shown below, based on use of the mark in Canada since at least as early as January 2008 in association with "manufactured tobacco products." The applicant's distinguishing guise is the shape of a container for cigarettes. The applicant refers to its distinguishing guise as SLIDE PACK.



[2] A distinguishing guise is a type of trade-mark. It is indicative of the source of goods or services. The definition of a distinguishing guise is found in the interpretation section of the *Trade-marks Act* R.S.C. 1985, c. T-13:

distinguishing guise means

- (a) a shaping of goods or their containers, or
- (b) a mode of wrapping or packaging goods

the appearance of which is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others

[3] Further, section 13(1) of the *Trade-marks Act* provides that a distinguishing guise is registrable only if (1) it has become distinctive in Canada as of the date of filing of the application and (2) is not likely unreasonably to limit the development of any art or industry:

13 (1) A distinguishing guise is registrable only if

- (a) it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration; and
- (b) the exclusive use by the applicant of the distinguishing guise in association with the goods or services with which it has been used is not likely unreasonably to limit the development of any art or industry.

#### *Evidence of Distinctiveness at the Examination Stage*

[4] Accordingly, when the applicant filed its application to register its SLIDE PACK distinguishing guise, the Examination Section of the Canadian Intellectual Property Office (“CIPO,” under whose aegis this Board also operates) requested the applicant to provide evidence establishing that the package was distinctive of the applicant’s cigarettes as of March 5, 2010.

[5] The applicant responded by providing the affidavit of Paul Furfaro, sworn July 8, 2011, in which Mr. Furfaro discusses, among other things, the uniqueness of the SLIDE PACK container and sales of cigarettes in the SLIDE PACK – in excess of \$22 million in total sales revenue for the period January 2008 to March 5, 2010, with sales in nine of Canada’s provinces. The applicant submitted that Mr. Furfaro’s affidavit established “the within application is in compliance with section 13(1) of the Act . . . is registrable as a distinguishing guise, and that the application should be permitted to proceed to advertisement.”

[6] However, the Examination Section found that the evidence was insufficient to show compliance with section 13(1). The applicant was therefore requested to provide “affidavits from, and/or survey evidence of, end-users across Canada which clearly state that at or before the date of filing they were familiar with, and could easily recognize at a glance, the wares sold by the applicant in the particular packaging . . .”

[7] The applicant responded by providing the Examination Section with affidavits of five retailers of tobacco products located in the Maritimes, and in Western, Central, and Eastern Canada. Each affiant was of the view that the SLIDE PACK is “immediately recognized by Canadian adult smokers as being unique and distinctive of Player’s [the applicant].”

[8] Reproduced below, in four perspective views, is the distinguishing guise referenced by the above-mentioned retailers. The two top images show the package in its closed position while the two bottom images show the package in the open position.



[9] The SLIDE PACK is concisely described at para. 5 of the opponent's written argument:

an outer compartment with an inner compartment nested within it which stores cigarettes. To open the package, the user "slides" the package open, pushing the inner compartment out of the outer compartment to reveal the cigarettes. The applicant claims that the alleged distinguishing guises have two distinctive features: a "pentagonal key hole" feature on the outer compartment, and a "slanted side notch" features [sic] on the inner compartment.

[10] The key hole is located where the letter P is enclosed by two semicircles: see the image at the top left at para. 8 above. The notch is easily visible in the bottom images at para. 8 above.

[11] It appears that the Examination Section found that the applicant's further evidence was sufficient (there is no indication on record) as the subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated February 6, 2013. I note that the Examination Section came to its conclusion despite the applicant's default in providing evidence in the form of "affidavits from, and/or survey evidence of, end-users across Canada (emphasis added). . . ." as requested by the Examination Section.

#### *The Distinguishing Guise is Opposed*

[12] The application was then opposed by Rothmans, Benson & Hedges Inc. on June 21, 2013. The Registrar forwarded a copy of the statement of opposition to the applicant on September 4, 2013 as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[13] The opponent's evidence consists of the affidavits of Simon Hitchens and Leslie Vass; certified copies of six Canadian patents and patent applications; and certified copies of the file for the two distinguishing guise applications in issue, Nos. 1,472,035 and 1,472,036. The applicant's evidence consists of the affidavits of Paul Furfaro (sworn March 25, 2015) and Christine Genge (sworn March 24, 2015). Mr. Furfaro and Ms. Genge were cross-examined on their affidavits. The transcripts thereof, copies of exhibits thereto, and answers to questions taken under advisement form part of the evidence of record. Both parties filed a written argument and both were ably represented at an oral hearing.

## STATEMENT OF OPPOSITION

[14] Various grounds of opposition are pleaded including:

- pursuant to section 13(1)(b) of the *Trade-marks Act*, and owing to the judicial doctrine of “functionality,” the applied-for distinguishing guise is not registrable because its distinctive features are primarily functional;
- pursuant to section 2 of the *Act*, the distinguishing guise depicted and described in the subject application is not a trade-mark because it “is merely a one dimensional view of flattened card stock that bears no resemblance to a package;”
- pursuant to section 13(1)(a), the applied-for mark is not registrable because at the date of filing (March 5, 2010) the alleged distinguishing guise was not distinctive of the applicant’s goods. In this regard, the distinctive features of the trade-mark were not visible to the persons to whom property in or possession of the goods was transferred.

[15] I will briefly review the (voluminous) evidence of record before addressing the grounds of opposition.

## OVERVIEW OF THE OPPONENT’S EVIDENCE

### *Simon Hitchens*

[16] Mr. Hitchens identifies himself as an associate with the firm representing the opponent. His affidavit serves to introduce into evidence, without commentary, various documents including prior affidavits he swore (in 2009 and 2010) in opposition proceedings related to the subject oppositions.

[17] The opponent did not, for the most part, comment on Mr. Hitchens evidence in its written argument or at the oral hearing. The opponent did however rely on exhibits (photographs) attached to his affidavit to bring to my attention how the subject distinguishing guise was presented to consumers at the retail level. Of course, SLIDE PACK is sold in the closed position,

in cellophane wrapping, with indicators of source such as the word mark PLAYER'S and the trade-name John Player & Sons (similar to the representations in para. 8 above) appearing on the package.

*Leslie Vass*

[18] Mr. Vass identifies himself as a private investigator retained by the agents of the opponent. He attended at a convenience store in Burlington, Ontario, in April 2014, to purchase different types and sizes of PLAYER'S cigarettes. Attached as exhibits to his affidavit are photographs, in varying perspectives, of unwrapped, and opened, packages he purchased. I note that the exhibits display the distinctive features of the package referred to in para. 9 above and that instructions on the pentagonal key hole read "push here."

*Patent Documents*

[19] The opponent in its written argument discusses the patent documents it filed as evidence:

46. These patent documents relate to cigarette packages which, like the Player's SLIDE PACK, contain two compartments which are slidable relative to one another.

47. Moreover each of these patent documents claims and describes one or more features which are functionally equivalent to and share the same or essentially the same size, shape, and position as the "pentagonal keyhole" and "slanted side notch" features of the alleged distinguishing guises [the applied-for marks in issue] . . .

[20] In my view the above assessment of the patent documents is fair comment: see the images at para. 28 below.

OVERVIEW OF THE APPLICANT'S EVIDENCE

*Paul Furaro*

[21] Mr. Furaro identifies himself as Brand Portfolio Manager with Imperial Tobacco Canada Limited, a sub-licensee of the applied-for distinguishing guise trade-mark. His evidence relates

to the applicant's sales of, and advertising for, cigarettes sold in the applied-for distinguishing guise. Between January 2008 and December 31, 2014, about 208 million packages were sold across Canada, representing revenue of about \$1.7 billion. Advertising expenses for the same period were in excess of \$2 million.

*Christine Genge*

[22] Christine Genge identifies herself as a lawyer and patent agent with the firm representing the applicant. Her affidavit serves to introduce into evidence, by way of exhibits, several Canadian patent documents. She notes that (1) in patent '044 the size and shape of the hole feature on the side wall and of the notch feature are not claimed; (2) in patent '865 the size, shape and position of the "push window" on the side wall is not claimed; (3) in patent '915 the size, shape and position of the "window" on the side wall is not claimed; (4) in patent '033 the size and shape of the hole feature on the side wall and of the notch are not claimed; (5) in patent '725 the specific size and shape of the "extraction opening" [presumably analogous to the "notch" in the applicant's distinguishing guise] of the inner container is not claimed.

[23] The opponent in its written argument has objected to Ms. Genge's affidavit as inadmissible because she "is very clearly not an independent and objective expert." I do not accept the opponent's objections to Ms. Genge's evidence as she does not opine on the issues I must decide. Rather, I view her evidence as merely bringing to my attention certain aspects of patent documents which she believes might further the applicant's case. I agree with the opponent's submission, at para. 52 of its written argument, that I am as well placed as Ms. Genge "to read what is set out in the various patent documents and to draw [my] own conclusions."

[24] I note that the applicant's evidence filed in this proceeding does not include "affidavits from, and/or survey evidence of, end-users across Canada . . .(emphasis added)" as initially requested by the Examination Section (see para. 6 above).

[25] I will next consider the grounds of opposition pleaded in the statement of opposition.

## GROUND OF OPPOSITION BASED ON SECTION 13(1)(B) – FUNCTIONALITY

### *Pleadings in the Statement of Opposition*

[26] In paras. 3 and 15 of the statement of opposition the opponent pleads that:

3. . . . the alleged distinguishing guise . . . portrays only utilitarian or functional features of a package. These utilitarian or functional features are anticipated by prior patent filings in Canada. By means of this distinguishing guise application, the Applicant is indirectly seeking to obtain patent protection through the guise of trade-mark protection. It is abusive and unfair to the public to allow the registration of the alleged distinguishing guise which would confer perpetual protection of functional design elements as a trade-mark when these functional design elements are otherwise part of the public domain and incapable of patent protection.

15. The exclusive use of the alleged distinguishing guise by the Applicant in association with the wares is likely unreasonably to limit the development of packaging in the tobacco industry. The alleged distinguishing guise portrays only utilitarian or functional features of a package.

[27] A further ground alleged in the statement of opposition, pursuant to section 30 of the *Trade-marks Act*, is also based on functionality, as discussed in para. 24(a) of the opponent's written argument:

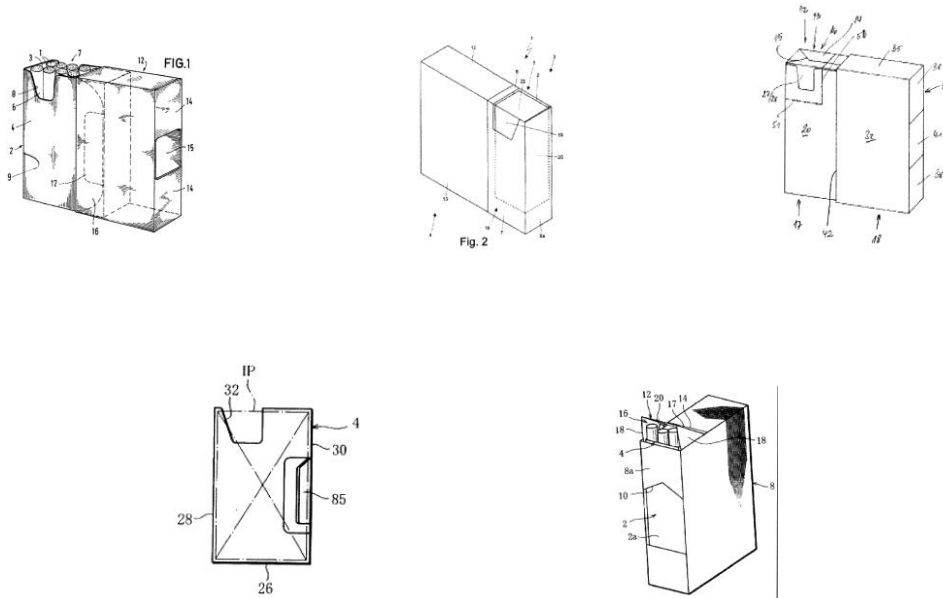
The applications do not comply with s. 30 of the Act. Section 30 provides that the applications must concern registration of a "trade-mark". The alleged distinguishing guises depicted and described in the applications are not "trade-marks" within the meaning of s. 2 of the Act because the alleged distinguishing guises portray only utilitarian or functional features of a package that provides a functional means to open the package and retrieve the goods (cigarettes), particularly given that such functional features are used on a package on which other markings and indicia of source appear. The alleged distinguishing guises are therefore not "trade-marks" used for the purpose of distinguishing or so as to distinguish the Applicant's goods from the goods of others, and cannot function as trade-marks in accordance with the Act.

### *Judicial Doctrine of Functionality*

[28] The patent documents forming part of the opponent's evidence relate to cigarette packages which are in some respects similar to the applicant's distinguishing guise, that is, they are comprised of two distinct compartments which slide relative to one another. They also show



analogous notch and window/keyhole features. I have reproduced below representative images found in the patent documents:



[29] Considering the evidence of record, including testimony on cross-examination, I have concluded that keyhole and notch features on cigarette packages are dictated by functional or utilitarian concerns, that is, the size, shape and positioning of those features are not arbitrary. In this respect, the functional purpose of the keyhole is to permit the purchaser to press on the inner compartment with a finger to force the inner compartment to slide out of the outer compartment; the functional purpose of the slanted notch is to allow the purchaser to grasp and remove cigarettes from the inner casing. The fact that those features are not claimed as proprietary in the patent documents evidenced by Ms. Genge does not dissuade me of their functional or utilitarian purpose.

[30] Further, I find that the keyhole and slanted notch features of the applied-for distinguishing guise are distinctive features and are primarily functional or utilitarian. The pentagonal keyhole provides an opening for a consumer to easily slide the inner compartment out of the outer compartment; the slanted notch permits the consumer to easily retrieve cigarettes from the inner compartment. My factual findings lead to the legal conclusion that the applied-for

distinguishing guise is not registrable. In this regard, I agree with the opponent's submissions of law at paras. 98-103 of its written argument:

98. Section 13(1)(b) of the Act [Trade-marks Act] provides that a distinguishing guise is registrable only if "the exclusive use by the applicant of the distinguishing guise in association with the goods or services which it has been used is not likely unreasonably to limit the development of any art or industry".

99. This provision is a statutory codification of the well-recognized "functionality doctrine" which prohibits the registration of any trade-mark which is wholly or primarily functional or utilitarian: *Kirkbi AG v Ritvik Holdings Inc.*, 2005 SCC 65 at para 60.

100. Whether the applied-for trade-mark is a design mark, a distinguishing guise, or any other mark, the same considerations of functionality apply: *Remington Rand Corp. v Phillips Electronics N.V.* (1995), 64 CPR (3d) 467 (FCA) at paras 23-24.

101. The functionality doctrine is grounded in serious public policy concerns about granting potentially perpetual monopolies over functional or utilitarian features of goods or their packaging under the guise of trade-mark. Trade-mark law is not intended to prevent competitive use of utilitarian features of products, but rather fulfills a source distinguishing function. The functionality doctrine therefore prevents abuses of monopoly positions in respect of products and processes and discourages attempts to revive expired or unavailable patent monopolies in another form: *Kirkbi AG v Ritvik Holdings Inc.*, 2005 SCC 65 at paras 37-44.

102. While it is recognized that some distinguishing guises may necessarily possess a functional aspect, to the extent that the distinguishing guise is either wholly or primarily functional it is not entitled to registration and the Applicant is not entitled to its exclusive use through trade-mark protection: *WCC Containers Sales Ltd. v Haul-All Equipment Ltd.*, 2003 FC 962 at para 38; *Kirkbi AG v Ritvik Holdings Inc.*, 2003 FCA 297 (FCA) at para 59.

103. In summary, if functionality goes to either the trade-mark itself or to the associated goods, then it is essentially or primarily inconsistent with registration: *Remington Rand Corp. v Phillips Electronics N.V.* (1995), 64 CPR (3d) 467 (FCA) at para 16.

#### GROUND OF OPPOSITION BASED ON SECTION (13)(1)(A) – DISTINCTIVENESS

[31] In the statement of opposition, the opponent pleads as follows:

12. Section 32(1) provides that an applicant who claims that his trade-mark is registrable under section 13 shall furnish the Registrar with evidence

establishing the extent to which and the time during which the trade-mark has been used in Canada and with any other evidence that the Registrar may require in support of the claim. . .

13. The alleged distinguishing guise has not been used by the Applicant (or a predecessor) as to have become distinctive at the date of filing of the Application, including in that:

a. at the time of transfer of the property in or possession of the wares in the ordinary course of trade, the alleged distinguishing guise is not visible in the manner claimed in the Application to the persons to whom property in or possession of the wares is transferred; and

b. alternatively, . . . Consumers are generally familiar with packaging for manufactured tobacco products and consider the features in the alleged distinguishing guise to be merely a utilitarian or functional component of the packaging as opposed to a distinct trade-mark serving to distinguish the wares. The alleged distinguishing guise is not indicative of source and does not distinguish the wares of the Applicant from those of others.

14. . . . The alleged distinguishing guise is not visible in the manner claimed in the Application to the persons to whom property in or possession of the wares is transferred in the normal course of trade. . . the alleged distinguishing guise portrays only utilitarian or functional features of a package, and as such, is inherently weak. . .

[32] There is sufficient evidence of record to support the above allegations and therefore to put into issue whether the applicant has complied with section 13(1)(a). The legal onus then shifts to the applicant to establish, on the usual civil balance of probabilities standard, that its SLIDE PACK mark was distinctive of the applicant's cigarettes as of March 5, 2010.

[33] The opponent's submissions, in its written argument, on whether the applicant has met its legal onus are summarized below:

121. . . . It is recognized that an applicant's onus is particularly severe where the distinguishing guise is inherently weak such when it has significant utilitarian function (as in this case): *Canadian Tire Corporation, Limited v Western Steel and Tube Ltd., 2015 TMOB 149 at para 3.*

.....

124. The Applicant can rely on only about two years of sales of its Player's SLIDE PACK products in some provinces in Canada, totaling only about \$2 million worth of sales revenues. Any marketing in association with the alleged distinguishing guises was similarly limited, amounting only to print

advertisements circulated for a few months in 2008, and a few hundred posters displayed in limited locations in 2008.

.....

126. . . sales alone do not establish distinctiveness in fact. Any alleged distinguishing guise must be shown to be perceived or understood by the public to perform the function of distinguishing the goods from those of others: *Adidas (Canada) Ltd. v Colins Inc. (1978)*, 38 CPR (2d) 145 (FCTD); *Canadian Tire Corporation, Limited v Western Steel and Tube Ltd., 2015 TMOB 149 at para 47*.

127. . . . the Applicant must show that consumers recognize the distinguishing guises as a trade-mark, not just as a functional element associated with a particular package or product: *Novopharm Ltd. v Astra AB (2000)*, 6 CPR (4th) 101 (TMOB) at 112.

128. . . . the Registrar in its Practice Notice entitled “Three-dimensional Marks”, dated December 6, 2000, states that:

. . . For a distinguishing guise which is inherently weak (e.g. if it has a significant ornamental or utilitarian function), it will normally be necessary to provide more direct evidence that purchasers in the marketplace have come to recognize the guise as distinguishing the goods or services of its owner from those of others; for this purpose survey evidence or affidavits from actual purchasers may be necessary. . . in general the evidence would have to be sufficient for it to be concluded that a high proportion of potential purchasers recognize the guise as serving to distinguish.

.....

132. . . . there is nothing in the evidence to show that the alleged distinguishing guises would in any way stand out from the other indicators of source on the packaging or be otherwise recognized or perceived as a separate trade-mark as a matter of first impression.

[34] I would also note that Mr. Furfaro’s affidavits filed at the Examination stage, and in this proceeding, misstated SLIDE PACK sales revenues for the period January 2008 to March 5, 2010 by a factor of ten. Sales for that period were in fact about \$2.2 million rather than about \$22 million: see Mr. Furfaro’s transcript of cross-examination at p.62. Of course, at the Examination stage the applicant’s evidence is not challenged by an adverse party. The elevated sales figures would have been accepted by the Examination Section at face value.

[35] I agree with the opponent that the evidence presented by the applicant in this opposition proceeding is not sufficient to meet the legal onus on it to show that the applied-for

distinguishing guise was distinctive of the applicant's cigarettes as of March 5, 2010. The opponent therefore succeeds on the ground of opposition pursuant to section 13(1)(a).

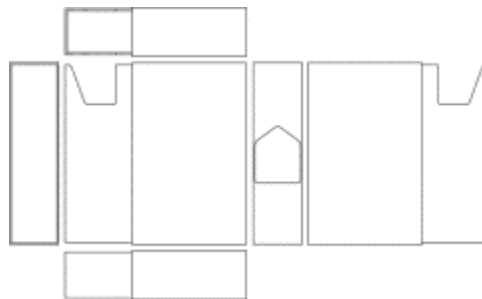
[36] As I have found for the opponent on the issues of functionality and distinctiveness, it is not necessary for me to deal with the remaining grounds.

#### DISPOSITION

[37] Application 1,472,035 is refused.

#### **APPLICATION 1,472,036 FOR PACK DESIGN**

[38] The second application in issue is also for a distinguishing guise, represented by the diagram below:



[39] The above diagram is merely a different representation of the same container as the '035 application. It appears to be a one dimensional view of flattened card stock, which, when folded and assembled, is the SLIDE PACK container.

[40] Both applications were filed on the same day and both are based on use in Canada since January 2008 in association with manufactured tobacco products. The material dates and the evidence is the same for both oppositions, as are the issues defined by the two statements of oppositions. It follows that my findings of fact and my findings in law in respect of application '035 apply equally to application '036. That is, in respect of the '036 application, I find that (1) the applied-for distinguishing guise is not registrable because its distinctive features are primarily

functional and (2) the applicant has not met the legal onus in it to show that its distinguishing guise was distinctive as of March 5, 2010.

DISPOSITION

[41] Application 1,472,036 is therefore refused.

[42] These decisions have been made pursuant to a delegation of authority by the Registrar of Trademarks under s.63(3) of the *Trade-marks Act*.

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Myer Herzig  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

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HEARING DATE 2018-04-18

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