

O P I C



C I P O

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

Citation: 2019 TMOB 24

Date of Decision: 2019-03-27

IN THE MATTER OF OPPOSITIONS

**Rothmans, Benson & Hedges Inc. and
Phillip Morris Brands Sarl**

Opponents

and

John Player & Sons Ltd.

Applicant

1,605,729 and 1,605,733 both entitled

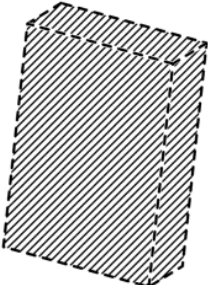
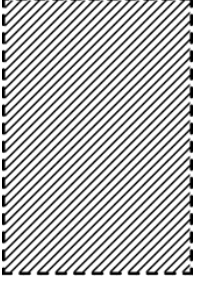
Applications

BROWN PACKAGE DESIGN

INTRODUCTION

[1] Rothmans, Benson & Hedges Inc. (RBH) and Phillip Morris Brands Sarl (PM Brands) (hereinafter collectively referred to as the Opponent unless indicated otherwise) oppose registration of the trade-marks both entitled BROWN PACKAGE DESIGN (reproduced below) that are respectively the subject of application Nos. 1,605,729 and 1,605,733 based upon use in Canada since at least as early as November 5, 2012 in association with “manufactured tobacco products, namely cigarettes” (the Goods) filed by John Player & Sons Ltd. (the Applicant):

Application No. 1,605,729 (hereinafter sometimes referred to as the '729 Application)	Application No. 1,605,733 (hereinafter sometimes referred to as the '733 Application)
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<p>Description: “The trade-mark consists of the colour brown having the appearance of unbleached paperboard applied to the visible surface of the particular packaging as shown in the attached drawing. The drawing has been lined for colour.”</p>	<p>Description: “The trade-mark consists of the colour brown having the appearance of unbleached paperboard applied to the visible surface of the particular packaging as shown in the attached drawing. The drawing has been lined for colour.”</p>

[2] The only difference between the two applications is that the '729 Application depicts a three-dimensional design, while the '733 Application depicts a two-dimensional one. Unless indicated otherwise, I will collectively refer to these two design marks as the Mark.

[3] The oppositions were brought under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) and raise grounds of opposition based upon sections 2 (non-distinctiveness); 12 (non-registrability); 16 (non-entitlement); and 30 (non-conformity) of the Act.

[4] For the reasons that follow below, I find the applications ought to be refused.

THE RECORD

[5] The applications for the Mark were both filed on December 7, 2012 and were advertised for opposition purposes in the *Trade-marks Journal* on September 25, 2013 ('729 Application) and February 26, 2014 ('733 Application).

[6] The applications were opposed by the Opponent by way of statements of opposition filed with the Registrar on February 25, 2014 with respect to the '729 Application, and July 24, 2014 with respect to the '733 Application. The statement of opposition with respect to the '729 Application was voluntarily amended by the Opponent on July 9, 2014 with permission of the Registrar. Unless indicated otherwise, I will use the singular to refer to both the amended statement of opposition filed in respect of the '729 Application and the statement of opposition filed in respect of the '733 Application as they are identical (except for the identification of the

applied-for trade-mark). For ease of reference, I reproduce the grounds of opposition as pleaded by the Opponent in respect of the '729 Application at Schedule A to my decision.

[7] The Applicant filed and served a counter statement in each case denying the grounds of opposition set out in the statement of opposition.

[8] In support of each of its oppositions, the Opponent filed the following documents:

- The affidavit of Mary P. Noonan, a trade-mark searcher employed by the Opponent's trade-marks agent, sworn on November 3, 2014 (the Noonan affidavit);
- The affidavit of Charlotte McDonald, an associate employed by the Opponent's trade-marks agent, sworn on November 7, 2014 (the McDonald affidavit);
- The affidavit of Kenneth Morrison, the Director Commercial Deployment at RBH, sworn on November 10, 2014 (the Morrison affidavit);
- A certified copy of the file history of the '729 Application; and
- A certified copy of the file history of the '733 Application.

[9] I will use the singular to refer to the two affidavits of each of these deponents as they are essentially identical. An order for the cross-examination of all affiants issued but no cross-examinations were conducted.

[10] In support of each of its applications, the Applicant filed the following documents:

- The affidavit of Jason B. Dinelle, a law clerk for the Applicant's trade-marks agent, sworn on November 11, 2015 (the Dinelle affidavit);
- The affidavit of Gay Owens, a trade-mark searcher for the Applicant's trade-marks agent, sworn on November 11, 2015 (the Owens affidavit); and
- The affidavit of Paul Furfaro, the Brand Portfolio Manager of Imperial Tobacco Canada Limited (ITCan), a related company to the Applicant, sworn on November 27, 2015 (the Furfaro affidavit).

[11] I will use the singular to refer to the two affidavits of each of these deponents as they are essentially identical. Mr. Furfaro was cross-examined on his affidavit and the transcript of his cross-examination and the responses to the undertakings made at the time of his cross-

examination are on the record. I note that Mr. Furfaro is no longer the Brand Portfolio Manager of ITCan, but is now the “head of the House of Player’s Brand Management Team” [Transcript of the cross-examination of Paul Furfaro, p. 5, Q. 5].

[12] Both parties filed written arguments in each case and attended an oral hearing.

[13] On July 26, 2018, over two weeks after the oral hearing, the Opponent filed in both files a request for leave to file an amended statement of opposition. By way of letter dated July 31, 2018, the Applicant objected to the Opponent’s request in both files. The Applicant further advised that it had no objection to the Registrar addressing the Opponent’s leave request as part of the Registrar’s decision of the opposition proceedings on the merits. Accordingly, I will first address the Opponent’s leave request below.

PRELIMINARY REMARKS

Request for leave to file an amended statement of opposition

[14] As set out in the practice notice entitled *Practice in Trade-marks Opposition Proceedings*, leave to amend a statement of opposition will only be granted if the Registrar is satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances including: the stage the opposition proceeding has reached; why the amendment was not made earlier; the importance of the amendment; and the prejudice which will be suffered by the other party.

[15] In its leave request, the Opponent submits that “out of an abundance of caution”, it is seeking leave to amend each of its statements of opposition to:

...clarify the previously-pleaded [section] 30(b) and [section] 2 non-distinctiveness grounds of opposition by making clear that these grounds of opposition include the allegation that the purported use of the mark at issue under license does not accrue to the Applicant’s benefit. These amendments are intended to reflect and be consistent with the Opponent’s position on this issue demonstrated throughout these proceedings as set out in detail in the Opponent’s written arguments.

[16] However, as stressed by the Applicant in its letter dated July 31, 2018 objecting to the Opponent’s leave request, the Opponent’s grounds of opposition under section 30(b) and

section 2 of the Act in each of the present cases clearly set out grounds of opposition that relate to the nature of the trade-mark itself and the ability of the trade-mark depicted in the application to function as a trade-mark (e.g. the Opponent alleges that the trade-mark is not visible in the manner claimed in the application, was merely ornamental, was merely a background color, etc.) [see paras 5, 6 and 18 of the statement of opposition reproduced in Schedule A].

[17] I agree with the Applicant that there is no reasonable way to read the above-referenced paragraphs of the statement of opposition as alleging a ground of opposition based on unlicensed use of a trade-mark which does not accrue to the Applicant pursuant to section 50 of the Act. The amendments sought by the Opponent fundamentally change the nature of the pleaded grounds of opposition by adding completely new and different grounds of opposition.

[18] As reminded by the Applicant both at the oral hearing and in its letter, there is a substantial body of jurisprudence in which opponents, as in the present cases, have attempted to raise a licensing issue late in the proceeding after the evidence phase is closed, without including any reference to that ground in its statement of opposition [see for example *Apotex Inc v Smithkline Beecham Corporation* (2005), 54 CPR (4th) 104 (TMOB); and *Mattel U.S.A. Inc v 3894207 Canada Inc* (2002), 23 CPR (4th) 395 (TMOB)]. In each case, consideration of the licensing issue was refused by the Registrar as having not been properly pleaded in the statement of opposition.

[19] As stressed by the Applicant, the prejudice to the Applicant is readily apparent and there is no later stage in the opposition proceeding to make such a leave request. As indicated above, the request was made over two weeks after the oral hearing of the matters. As noted by the Applicant, the Opponent could have sought leave to amend its statement of opposition after conducting the cross-examination of the Applicant's affiant, or after receiving the Applicant's written answers to undertakings made during the cross-examination. Had the Opponent pleaded at that time that the licensed use of the Mark put into evidence by the Applicant's own affiant did not accrue to the Applicant's benefit, the Applicant might have filed evidence to sustain the opposite view. I agree with the Applicant that the Registrar's decisions in *Spin Master Ltd v George & Company, LLC*, 2015 TMOB 157 and *Karma Candy Inc v Cadbury UK Limited*, 2013 TMOB 119 are particularly instructive, as in these cases, the opponent sought leave to include

additional grounds of opposition during and after the oral hearing, respectively, and in both cases leave to amend was refused.

[20] In the present cases, it is not in the interests of justice to grant leave to the Opponent to amend its statement of opposition as requested because the prejudice and delay factors outweigh the importance of the amendment. In view of all of the foregoing, the Opponent's request for leave to amend its statement of opposition is refused in each case.

Past opposition proceedings between the parties

[21] The parties to the present proceedings are not strangers. They are direct competitors in the Canadian cigarette market and have been involved in opposition proceedings concerning the Applicant's trade-mark application Nos. 1,317,127 (now TMA908,657) and 1,317,128 (now TMA908,626) both entitled ORANGE PACKAGE DESIGN, which applications were substantively identical to the present ones in terms of the manner of depiction and description of the applied-for trade-mark, other than the colour claimed, and which were opposed by the Opponent in the present cases as well as JTI MacDonald TM Corp. on similar grounds of opposition. The Registrar's decisions dismissing both of the Opponent's oppositions and JTI MacDonald TM Corp.'s oppositions [see *Rothmans, Benson & Hedges v Imperial Tobacco Products*, 2012 TMOB 226 (the *226 Decision*); *JTI-Macdonald TM Corp v Imperial Tobacco Products Limited*, 2012 TMOB 116 (the *116 Decision*); and *JTI-Macdonald TM Corp v Imperial Tobacco Products Limited*, 2012 TMOB 117 (the *117 Decision*)] were upheld by the Federal Court in *Rothmans, Benson & Hedges, Inc v Imperial Tobacco Products Limited*, 2014 FC 300 (the *FC 300 Decision*) and *JTI-Macdonald TM Corp v Imperial Tobacco Products Limited*, 2013 FC 608 (the *FC 608 Decision*), as well as by the Federal Court of Appeal in *Rothmans, Benson & Hedges, Inc v Imperial Tobacco Products Limited*, 2015 FCA 111 (the *FCA 111 Decision*) (sometimes hereinafter collectively referred to as the *ORANGE Decisions*).

[22] Not surprisingly, the Applicant relies heavily on the *ORANGE Decisions* in the present cases. However, these prior decisions are not necessarily determinative of the issues. Suffice it to say that each case rests on its own merits. That being said, I will adopt some of the reasoning in the *ORANGE Decisions* where I consider it appropriate to do so.

THE PARTIES' RESPECTIVE BURDEN OR ONUS

[23] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

OVERVIEW OF THE EVIDENCE

The Opponent's evidence

The Noonan affidavit

[24] The Noonan affidavit contains printout results of Ms. Noonan's search of the Canadian Trade-marks Register for "any trade-mark applications and registrations for single colour marks without words which are on the record for tobacco and tobacco related wares". Particulars of 10 such applications and registrations are provided in Exhibit MN-1. The Noonan affidavit further contains printout results of Ms. Noonan's searches for the following trade-mark registrations referred to under the Opponent's pleading based upon section 12(1)(d) of the Act [Exhibits MN-2 to MN-6].

The McDonald affidavit

[25] The McDonald affidavit contains photographs of 29 tobacco related products and copies of receipts for the purchase of those products by the affiant from stores in Toronto, Ontario, between February 18, 2014 and July 24, 2014 [Exhibit CM-1 to CM-34] as detailed in Schedule B attached hereto to my decision. I note that only two of these products are packages of cigarettes [Exhibit CM-19]. The remaining tobacco related products are cigars, pipe tobacco, cigarillos, and rolling paper.

[26] Ms. McDonald also attaches as Exhibits CM-35 to CM-39 to her affidavit, printouts from Health Canada's website referring to *Health Labels for Cigarettes and Little Cigars* and *Tobacco Product Labelling Regulations*, a copy of the *Tobacco Products Labelling Regulations*

(*Cigarettes and Little Cigars*), a copy of the *Tobacco Products Information Regulations* as last amended and a copy of the *Tobacco Products Information Regulations* in force between June 26, 2000 and September 21, 2011.

[27] Finally, Ms. MacDonald explains having conducted internet searches “to access a variety of websites, articles, and publications related to the production, composition, and characteristics, including the colour, of paperboard, and more particularly, unbleached paperboard”. She attaches as Exhibits CM-40 to CM-52 to her affidavit various articles and documents identified by conducting a search using the Google search engine of the following key words: “unbleached”, “paperboard”, “pulp”, “colour” and various combinations of such terms. The Applicant has objected to Exhibits CM-40 to CM-52 as inadmissible hearsay evidence. As discussed later in my decision, I am prepared to give weight to most of these exhibits.

The Morrison affidavit

[28] In the introductory paragraphs of his affidavit, Mr. Morrison provides some background information about the Opponent. Mr. Morrison asserts that RBH is the second largest company in Canada which manufactures and sells tobacco products, in particular cigarettes. He explains that RBH is a “wholly owned subsidiary” of Philip Morris International (PMI) who also owns PM Brands and that PM Brands owns trade-marks used under license by RBH, “including in relation to the sale of manufactured tobacco products such as cigarettes” [para 3].

[29] Mr. Morrison asserts that RBH sells its tobacco products in association with numerous brand names including PHILIP MORRIS, CANADIAN CLASSICS, BELMONT, MARK TEN, and ROTHMANS, “many of which are sold under license from the [trade-mark] owner, PM Brands”. Mr. Morrison explains that RBH generally sells its tobacco products to wholesalers across Canada who then sell them to various retailers who, in turn, sell them to consumers through their retail stores across Canada. Tobacco products are, in some instances, sold by RBH directly to retailers in Canada who then sell these products to consumers [para 4].

[30] Mr. Morrison then turns to the use of the colour brown in the tobacco industry. He asserts that the “colour brown has long been used in the tobacco industry for the packaging of manufactured tobacco products of RBH and third parties” in association with cigarettes and other

non-cigarette manufactured tobacco products such as cigars, cigarillos, and loose pipe or cigarette tobacco. Those non-cigarette manufactured tobacco products are “typically sold alongside traditional tobacco products such as cigarettes” and are “typically marketed in Canada to the same consumers who purchase cigarette products” [para 7].

[31] Concerning more particularly RBH brown packaging, Mr. Morrison first asserts that “RBH distributes and sells virtually all of its manufactured tobacco products, including cigarettes, in brown cardboard packages that display the applicable brand name of the product being distributed.” Mr. Morrison further attests that “[a]ny shipment of [RBH] manufactured tobacco products in such a brown cardboard package is accompanied by a sales invoice at the time [RBH] wholesale customers take possession of these products, an example of which is attached as Exhibit 1” to his affidavit. He also attaches as Exhibit 2 to his affidavit photographs of representative examples of such brown cardboard packaging for RBH’s BENSON & HEDGES Superslims Noir, MARK TEN and ROTHMANS Special cigarette brands [paras 12-14].

[32] Mr. Morrison asserts that “RBH sells approximately 10 billion cigarettes a year in these brown cardboard packages, which represents approximately 1 million individual brown cardboard packages of cigarettes”. Based on his knowledge of the industry, Mr. Morrison asserts that RBH’s products have been distributed and sold in those brown cardboard packaging for “many years if not decades” before he began his employment with RBH in 1985 [para 15].

[33] Mr. Morrison next asserts that “RBH sells a number of manufactured tobacco products in Canada which display the colour brown on individual packs of product (such as packaging for an individual carton or pack of cigarettes, or an individual pack of cigars or cigarillos)” [para 16]. More particularly, he explains that these products include:

- RBH’s PHILIP MORRIS cigarette product. Mr. Morrison briefly goes over the history of use of the PHILIP MORRIS brand, which was assigned by Imperial Tobacco Canada Limited (ITL) to PM Brands effective March 1, 2012, and he attaches under Exhibits 3 to 6 to his affidavit, copies of representative packaging of same used over the years by RBH/ITL, as well as a copy of the relevant trade-mark assignment agreement [paras 16 to 20]. He further asserts that “[c]igarette products have been sold in Canada in

association with the PHILIP MORRIS brand and in the brown packaging shown at [the above-mentioned Exhibits 3, 5 and 6] for many years [...] in commercial quantities, though RBH does not have access to precise figures for such sales by ITL” [para 21].

- RBH’s NEXT “smooth” cigarette product. Mr. Morrison attaches under Exhibit 7 to his affidavit photographs of the current packaging for this product, together with monthly sales data for this product, and he confirms that RBH has manufactured and sold under license from PM Brands this product in the same or very similar packaging since at least as early as 2009. He also provides the annual sales volumes thereof for the years 2009 (partial) to 2014 (partial) [paras 22-23].
- RBH’s BENSON & HEDGES de Luxe cigarette product. Mr. Morrison attaches under Exhibit 8 to his affidavit a copy of the current packaging for this product, together with monthly sales data for this product, and he confirms that RBH has manufactured and sold under license from PM Brands this product in the same or very similar packaging since at least as early as 2006. He also provides the annual sales volumes thereof for the years 2006 (partial) to 2014 (partial) [paras 24-25].
- CAPTAIN BLACK pipe tobacco cigars and CAPTAIN BLACK loose pipe tobacco. Mr. Morrison attaches under Exhibits 9 and 10 to his affidavit photographs of the current packaging for these products, together with monthly sales data for these products, and he confirms that RBH has manufactured and sold under license from their trade-mark owner these products in the same or very similar packaging since at least as early as 2006. He also provides the annual sales volumes thereof for the years 2006 (partial) to 2014 (partial) [paras 26-27].

[34] Mr. Morrison asserts that in addition to the products noted above, “RBH (including its predecessors-in-title) has also sold a number of other products over the years in individual brown packaging” [para 28]. He provides as examples the following products and asserts that they were sold in Canada in “commercial quantities” and “in brown packaging the same or similar to that shown” in the accompanying exhibits:

- BENSON & HEDGES 100s in individual brown packages sold from “approximately the mid-1980s until the early 2000s” by RBH [Exhibit 11, para 29].
- MAVERICK wide cut cigarettes in individual brown packages sold “in the early 1990s” by RBH [Exhibit 12, para 30].

[35] Mr. Morrison adds that a number of other manufactured tobacco products were sold by RBH “in commercial quantities and in brown packaging” during Mr. Morrison’s tenure at RBH, including the following brands [para 31]:

- Craven
- Dunhill
- Peter Stuyvesant
- Merit
- Virginia Slims
- Davidoff

[36] In the last part of his affidavit, Mr. Morrison turns to third party use of tobacco products sold in various brown coloured packages. Mr. Morrison states that “a number of third party tobacco manufacturers have historically and to the present distributed and sold manufactured tobacco products in association with brown packaging in Canada” [para 32]. Referring more particularly to the third party tobacco products listed in the McDonald affidavit, Mr. Morrison attaches under Exhibits 13 to 27 to his affidavit, historical sales data for the products listed below, where available, together with images of current packaging for these products and he confirms that such packaging “is representative of the packaging used for such products for the dates listed in the appended charts of sales data”:

- Export “A” – smooth taste cigarettes [Exhibit 13].
- Backwoods – Wild ‘n Natural cigars [Exhibit 14].
- Backwoods – Wild Rum cigars [Exhibit 15].
- Phillies Blunts – coconut cigars [Exhibit 16].
- Amphora Mellow Blend pipe tobacco [Exhibit 17].

- Amphora Original Blend pipe tobacco [Exhibit 18].
- Clubmaster cigars [Exhibit 19].
- Bullseye Extra – vanilla cigars [Exhibit 20].
- Dutch Masters – Masters Collection – cognac cigarillos [Exhibit 21].
- Honey T – vanilla cigars [Exhibit 22].
- Guantanamera – 3 Minutos cigars [Exhibit 23].
- Original Choice – pipe tobacco [Exhibit 24].
- Panter Mignon – cigars [Exhibit 25].
- Toscano – Toscanello – cigars [Exhibit 26].
- Yuma – Organic cigarettes [Exhibit 27].

[37] Mr. Morrison explains in detail how these sales data were obtained at paragraphs 35 to 40 of his affidavit. I note that the data was obtained from third party information management companies. As none of the data has been objected to on the basis that it is hearsay, I confirm that I will have regard to it.

The Applicant’s evidence

The Furfaro affidavit

[38] In the introductory paragraphs of his affidavit, Mr. Furfaro provides some background information about the ownership and licensing of the PLAYER’S TRUE family of cigarettes. He explains that following the amalgamation of ITCan’s subsidiaries Player’s Company Inc. (Player’s Co.) and John Player & Sons Ltd. (John Player) on January 1, 2015, the ownership of the present applications was transferred from Player’s Co. to the resulting amalgamated company, also named John Player & Sons Ltd. [para 2].

[39] Mr. Furfaro asserts that until January 1, 2015, John Player was licensed by Player’s Co. to use all of Player’s Co.’s trade-marks in association with the manufacture and sale of tobacco products. He explains that, pursuant to the licence agreement, Player’s Co. had “direct and indirect control of the character and quality of the tobacco products manufactured and sold by John Player under the licence”. More particularly, the licence “included terms that compelled John Player” to manufacture and package goods under Player’s Co.’s trademarks strictly in

accordance with Player's Co.'s specifications and standards, to submit production materials used in the manufacture of the relevant goods to Player's Co. for approval, to submit samples of final products to Player's Co. for approval, and to make its premises available to inspection by Player's Co. at any time. Mr. Furfaro asserts that the license granted to John Player the right to sub-licence its rights to others and that as such, John Player sub-licensed its rights to ITCan under the same terms as the licence between Player's Co. and John Player. He further asserts that since January 1, 2015, John Player & Son Ltd. has continued to license its trade-mark rights to ITCan under the same terms [para 3].

[40] Mr. Furfaro asserts that pursuant to the above mentioned licences, ITCan has manufactured, marketed and sold the PLAYER'S TRUE family of cigarettes in Canada since at least as early as November 5, 2012, via its distributor Imperial Tobacco Company Limited (ITCo), to cigarette retailers which sold the cigarettes to adult smokers [para 4]. Mr. Furfaro collectively refers to Player's Co., John Player, John Player & Sons Ltd., ITCan and ITCo as Player's, and I will do the same while reviewing his affidavit.

[41] Mr. Furfaro asserts that in November 2012, Player's launched the PLAYER'S TRUE family of cigarettes in Canada, along with a marketing campaign. He explains that "the PLAYER'S TRUE family of cigarettes are sold in a package which is brown in colour, having the appearance of unbleached paperboard (the 'BROWN PACKAGE')" [para 5]. As Mr. Furfaro thereafter refers throughout his affidavit to the "BROWN PACKAGE", I will do the same while reviewing his affidavit.

[42] Mr. Furfaro explains that the PLAYER'S TRUE (PLAYER'S AUTHENTIQUE in French) family of cigarettes includes three "variants", namely, the PLAYER'S TRUE "Canadian Blend" cigarettes, the PLAYER'S TRUE "Special Blend" cigarettes, and the PLAYER'S TRUE "Plain" cigarettes (hereinafter collectively referred to as the PLAYER'S TRUE family of cigarettes unless indicated otherwise) and he attaches as Exhibit A.1 to A.3 to his affidavit photographs of representative examples of each of these variants marketed in the BROWN PACKAGE [para 6].

[43] Mr. Furfaro asserts that "[t]he colour brown having the appearance of unbleached paperboard was selected by Player's [...] because the colour was considered to be highly

distinctive, memorable and eye-catching, and because the colour was not being used for the packaging of cigarettes sold to adult smokers by any other manufacturer, importer, or distributor of cigarettes in Canada” at the time that the PLAYER’S TRUE cigarettes were launched in November 2012” [para 7].

[44] Mr. Furfaro then turns to the sales of the PLAYER’S TRUE family of cigarettes in the BROWN PACKAGE. He asserts that between November 4, 2012 and the dates of filing of the present statements of opposition (i.e. February 25 and July 24, 2014 respectively), Player’s “sold in excess of [1,900,000/2,200,000] packs (with each pack containing 20 cigarettes) of PLAYER’S TRUE cigarettes in the BROWN PACKAGE to cigarettes retailers in Canada, representing sales in excess of [\$14,800,000/\$17,900,000 CAD]” [para 8]. The table below sets out the yearly breakdown of the number of packs, and total sales amount of PLAYER’S TRUE cigarettes sold in the BROWN PACKAGE in Canada between November 4, 2012 and June 30, 2015 [para 9].

Year	Packs of Cigarettes (in excess of)	Sales Amount (in excess of)
2012 (Nov. 4 to Dec. 31)	450,000	\$3,350,000
2013	1,275,000	\$10,275,000
2014	875,000	\$7,825,000
2015 (Jan. 1 to June 30)	375,000	\$3,475,000
TOTAL	2,975,000	\$24,925,000

[45] Mr. Furfaro asserts that although the national launch of the PLAYER’S TRUE cigarettes took place on or around November 19, 2012, Player’s began selling the PLAYER’S TRUE cigarettes in the BROWN PACKAGE in Canada to cigarette retailers during the weeks before the national launch and since at least as early as November 5, 2012. He explains that this is a “very common practice in the industry” and “the best way to properly coordinate, activate and manage such an important national product launch” [para 10]. In support, Mr. Furfaro provides the following exhibits to his affidavit:

- Exhibit B: Copy of a report generated from ITCan’s sales database showing sales of PLAYER’S TRUE cigarettes in the BROWN PACKAGE in Ontario on November 4 and 5, 2012 [para 11].

- Exhibit C: Copies of representative invoices of sales of PLAYER’S TRUE cigarettes in the BROWN PACKAGE to various cigarette retailers in Canada [para 12].

[46] Turning to the permitted promotion of the PLAYER’S TRUE family of cigarettes in Canada, Mr. Furfaro asserts that from November 2012 to mid-2013, Player’s has spent “approximately \$900,000” communicating information regarding the PLAYER’S TRUE family of cigarettes in the BROWN PACKAGE to both cigarette retailers and adult smokers in Canada by “using materials that focus on the colour brown having the appearance of unbleached paperboard”, as is used on the BROWN PACKAGE [paras 13-14]. In support, Mr. Furfaro provides the following exhibits to his affidavit:

- Exhibit D: Images of a presenter box used by Player’s sales representatives to inform retailers about the PLAYER’S TRUE products across Canada. Mr. Furfaro asserts that approximately 75 presenter boxes were distributed [para 14a].
- Exhibit E: Images of representative backroom posters for retailers. Mr. Furfaro asserts that those posters would have shown the PLAYER’S TRUE products in the BROWN PACKAGE and were distributed to “over 20,000 retail locations throughout Canada” [para 14b].
- Exhibit F: Images of a representative brochure distributed to retailers describing the PLAYER’S TRUE cigarettes in the BROWN PACKAGE. Mr. Furfaro asserts that “such brochures were distributed to over 20,000 retail locations throughout Canada” [para 14c].
- Exhibit G: Images of a representative educational flip chart used by Player’s sales representatives to inform retailers about the PLAYER’S TRUE products. Mr. Furfaro asserts that “approximately 450 of such flip charts were distributed by Player’s to sales representatives to show retailers across Canada” [para 14d].
- Exhibit H: Copies of representative photographs of inside of a van used by sales representatives. The inside of the van “displayed the same colour brown having the appearance of unbleached paperboard, to educate retailers regarding the PLAYER’S TRUE family of cigarettes”. Mr. Furfaro asserts that around the time of PLAYER’S TRUE cigarettes’ launch in the BROWN PACKAGE, the van visited “well over 500 retail locations in Calgary, Toronto and Vancouver” [para 15].

- Exhibit I: Photographs of matchboxes distributed by Player’s for retailers “to sell to adult smokers which used the same colour brown having the appearance of unbleached paperboard, as is used on the BROWN PACKAGE”. Mr. Furfaro asserts that “over one million of these matchboxes were delivered to over 20,000 retail stores across Canada” around the national launch of PLAYER’S TRUE cigarettes in the BROWN PACKAGE [para 16].
- Exhibit J: Representative samples of posters displaying the PLAYER’S TRUE products in the BROWN PACKAGE “communicating information regarding PLAYER’S TRUE products to Canadian adult smokers”. Mr. Furfaro asserts that such posters were displayed in over 250 “adult-only establishments” in Canada from November 2012 to mid-2013 [para 17].

The Dinelle affidavit

[47] Mr. Dinelle attaches as Exhibit A to his affidavit a copy of the December 6, 2000 practice notice entitled “Three-dimensional Marks” (*Practice Notice on Three Dimensional Marks*) that he located on the Canadian Intellectual Property Office (CIPO) website. He also attaches as Exhibits B to D to his affidavit printouts of the definitions of “paperboard” and “bleached” from the *Merriam-Webster* online dictionary.

The Owens affidavit

[48] Ms. Owens attaches as Exhibit A to her affidavit details of 12 trade-mark registrations for colour marks for various products owned by third parties which she printed from the CDName Search Corp system on November 11, 2015.

ANALYSIS

Section 30 ground of opposition pleaded in paragraph 5(d) of the statement of opposition

[49] The Opponent has pleaded that:

5. The Opponents base this opposition on the ground provided by paragraph 38(2)(a) of the Act in that the Application does not conform to the requirements of section 30 of the Act. In particular, section 30 provides that the Applicant must be applying to register

a "trade-mark". The alleged trade-mark depicted and described in the Application is not a "trade-mark" within the meaning of section 2 of the Act for the following reasons:

[...]

d) The alleged trade-mark as described in the application is vague and imprecise, there being no specific reference to the shade or hue of the claimed colour brown other than as "having the appearance of unbleached paperboard", a phrase that is devoid of meaning. The colour "brown having the appearance of unbleached paperboard" is not a colour and is insufficient to adequately describe the alleged trade-mark as unbleached paperboard could describe a range of colours.

[50] In response, the Applicant has submitted in its written argument that:

First, it is well-established that an application for a single colour trademark does not need to include a particular hue (see *JTI Macdonald TM Corp v Imperial Tobacco Products Ltd*, 2013 FC 608 at para 49 (FC)). Second, the description in the present application very specifically describes both the colour (i.e. brown) and the specific finish (i.e. having the appearance of unbleached paperboard) in a manner that is readily understandable to both a layperson and a trader in the tobacco industry. It is quite common for a trademark applicant to use such a reference when describing a particular finish of a colour. Indeed, some of the third party trademark registrations on which the Opponent is seeking to rely in this opposition use references of a similar format to identify a specific finish of a colour, such as TMA591146 which includes the following colour claim:

Colour is claimed as a feature of the trade-mark. The top and bottom borders are in gold. The word AMPHORA is in white and the background is in smokyorange-to-brown colours represented in a marble-like fashion. The crest in the top centre is in gold, with the exception of the centre urn, which is white with a gold highlight accent.

[51] With respect, the Applicant's submissions do not convince me.

[52] I find the description "...the colour brown having the appearance of unbleached paperboard..." is ambiguous in that it does not clearly define what the applied-for Mark consists of for the following reasons.

[53] First, while the Applicant contends that the phrase "...brown having the appearance of unbleached paperboard" serves to describe "the specific finish of the colour brown", the description of the Mark in each of the applications does not expressly refer to the word "finish" *per se*.

[54] Second, contrary to the Applicant's position, it is not clear that the phrase "...having the appearance of unbleached paperboard" would necessarily be understood as being meant to describe a "specific type of finish", as opposed to describing something else, like for instance, a specific shade or hue of the colour brown, as discussed below.

[55] Third, what the Applicant's so-called "unbleached paperboard type of finish" is, or might be, remains unclear. "Unbleached paperboard" is not a "finish" *per se*. In fact, it is impossible to ascribe one single specific type of finish to "unbleached paperboard" as unbleached paperboard could come in an array of different types, grades and finishes, as shown by the various search results attached as Exhibits CM-40 to CM-52 to the McDonald affidavit [see, among others, Exhibits CM-41, CM-48, CM-49, and CM-52].

[56] In this regard, addressing the Applicant's objection to the admissibility of Exhibits CM-40 to CM-52, and except for the Wikipedia article under Exhibit CM-42 and Google image search under Exhibit CM-46, I have no reason to believe that the various excerpts from and/or printouts of reference books, handbooks, glossaries, thesis and other scientific reference materials and trade publications relating to the production, composition, and characteristics of paperboard, and more particularly, unbleached paperboard, attached to Ms. McDonald's affidavit are not objective and reliable [see by analogy *Roots Corporation v YM Inc. (Sales)*, 2019 FC 16, at paras 14 and 23]. The search criteria used by Ms. McDonald are clear and transparent. It was open to the Applicant to cross-examine Ms. McDonald on her affidavit and/or to file evidence directed to the same subject. In this regard, I would observe that the dictionary definitions of the words "paperboard" and "bleached" attached to the Dinelle affidavit are of no assistance in determining what "the appearance of unbleached paperboard" is or might be.

[57] Reverting to the Applicant's so-called "unbleached paperboard type of finish", I note that, in the course of its submissions relating to the non-distinctiveness ground of opposition pleaded by the Opponent and the fact that the Opponent's tobacco products get shipped in brown cardboard packages, the Applicant submitted at the hearing that what makes the applied-for Mark "so unique is the *raw paperboard type of finish* on the Applicant's Goods themselves" [my emphasis]. However, this is not what the description of the Mark indicates.

[58] Fourth, if the phrase “...brown having the appearance of unbleached paperboard” is interpreted as being meant to describe a specific shade or hue of the colour brown, what that specific shade or hue is remains unclear as “unbleached paperboard” is not a colour *per se* and could in fact take different colours (varying not only from very light brown to dark brown, but also grey or tan or yellowish colour) depending on the nature of the raw materials used in the manufacturing process and the method used for extracting fibers from their sources in the manufacturing process (i.e. the pulping method), as shown, again, by the various search results attached as Exhibits CM-40 to CM-52 to the McDonald affidavit [see, among others, Exhibits CM-41, CM-48, CM-49, and CM-52].

[59] In this regard, it is not because there is no requirement in the Act or the *Trade-marks Regulations*, SOR 96/195 (the Regulations) that an applicant specifically reference the shade or hue of the colour claimed [*Novopharm Ltd v Pfizer Products Inc*, 2009 CarswellNat 4119 (TMOB) at para 23; *226 Decision, supra*, at para 46], that an applicant cannot elect to claim a specific shade or hue, like for instance referencing PANTONE, a standard language for colour identification. Likewise, it is not because there is no requirement in the Act or the Regulations that the Applicant specifically reference the shade or hue of the colour brown, that this necessarily renders the phrase “...brown having the appearance of unbleached paperboard” unambiguous and acceptable in the present cases.

[60] Indeed, the Applicant could have elected to claim simply “the colour brown applied to the visible surface of the particular packaging as shown in the attached drawing...” like it did for instance in its other trade-mark applications filed for the colours “orange” and “purple”, as evidenced by Exhibit MN-1 attached to the Noonan affidavit. However, the Applicant has elected to describe further the colour brown by adding the unclear and ambiguous phrase “...having the appearance of unbleached paperboard...”

[61] As a result, for all the reasons given above, I find the description of the Mark does not clearly define what the trade-mark consists of. Indeed, I find the Applicant has not provided sufficient information to define the trade-mark claimed and used [see *Novopharm Ltd v Burroughs Wellcome Inc* (1994), 58 CPR (3d) 513 (FCTD); affg 52 CPR (3d) 263 at 268 (TMOB)]. As explained in *Novopharm Ltd v Astra Aktiebolag* (2000), 6 CPR (4th) 16 (FCTD),

the written description must enable the determination of the limits of the trade-mark registration and the monopoly must be precise in terms of its scope. I do not find this to be the case here.

[62] Accordingly, the ground of opposition pleaded at paragraph 5(d) of the statement of opposition succeeds in both cases.

Section 2 ground of opposition pleaded in paragraph 18(d) of the statement of opposition

[63] The Opponent has pleaded that the Mark is not distinctive within the meaning of section 2 of the Act because it does not, and is not capable of distinguishing the Applicant's Goods from the tobacco products of other traders whose tobacco products are sold in packages whose colour is similar to the alleged Mark.

[64] The material date for considering the circumstances respecting this ground of opposition is as of the filing date of the respective statements of opposition (i.e. February 25, 2014 with respect of the '729 Application, and July 24, 2014 with respect of the '733 Application) [*Andres Wines Ltd v E & J Gallo Winery* (1975), 25 CPR (2d) 126 (FCA) at 130; and *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA) at 424]. The Opponent has the initial evidential burden to prove the allegations of fact in support of its ground of non-distinctiveness. Once that burden is met, the legal burden or onus is on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its Goods from those of others throughout Canada [*Muffin Houses Inc v Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[65] To meet its evidential burden in respect of this ground, the Opponent must show that there has been third party use of similar coloured packages to such an extent this would negate the distinctiveness of the Mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD) at 58].

[66] As outlined in the overview of the evidence above, the Opponent has submitted, through the McDonald and the Morrison affidavits, evidence regarding numerous third party tobacco products sold in Canada. To be more specific, the McDonald affidavit reports 29 such products, 17 of which, in my view, arguably display various shades of the colour brown on their packaging (eight are flavoured cigars or cigarillos and the other nine tobacco goods, including one brand of

cigarettes, are flavourless). For its part, the Morrison affidavit provides, amongst other information, sales volumes for approximately half of these third party products, in addition to sales volumes relating to the Opponent's own brands of tobacco goods, also sold in various brown coloured packages.

a. Use of brown packaging in association with cigarettes

[67] Regarding the Opponent's PHILIP MORRIS cigarettes, I note that there is no evidence of sales or advertising figures within the relevant dates. While Mr. Morrison asserts at paragraph 21 of his affidavit that "[c]igarette products have been sold in Canada in association with the PHILIP MORRIS brand and in the brown packaging [...] for many years [...] in commercial quantities", he also states that the Opponent "[...] does not have access to precise figures for such sales [...]". Given the lack of specific sales or advertising figures relating to the Opponent's PHILIP MORRIS cigarettes, it is impossible to determine the extent to which consumers had become accustomed to seeing the Opponent's alleged brown packaging associated therewith in Canada prior to the material dates. I therefore will not consider this product as relevant to the issue of distinctiveness.

[68] The Opponent evidences sale in Canada of two of its other cigarette products as well as one third party cigarette product, which all arguably display a shade of the colour brown on their packaging, namely: NEXT "smooth" cigarettes [Exhibit 7 to the Morrison affidavit], BENSON & HEDGES de Luxe cigarettes [Exhibit 8 to the Morrison affidavit] and Export "A" Smooth Taste cigarettes [Exhibit 13 to the Morrison affidavit and Exhibit CM-19 to the McDonald affidavit].

[69] As indicated above, Mr. Morrison asserts that both the NEXT "smooth" and the BENSON & HEDGES de Luxe cigarette products have been manufactured and sold in individual brown packages by the Opponent since at least as early as 2009 and since at least as early as 2006, respectively. Upon thorough review of the relating sales data provided by Mr. Morrison, I note that over 13 million cartons of NEXT "smooth" cigarettes were sold prior to the relevant date for the '729 Application and that well over 14 million cartons of NEXT "smooth" cigarettes were sold prior to the relevant date for the '733 Application. I further note that over 3 million cartons of BENSON & HEDGES de Luxe cigarettes were sold prior to the

relevant dates for both the '729 and the '733 Applications. Although Mr. Morrison does not provide many details regarding the sale of Export “A” Smooth Taste cigarettes, I see that the historical sales data appearing at Exhibit 13 of his affidavit dates back to 2007 and that since then, over 12 million cartons of this product were sold prior to the relevant dates.

[70] In this regard, at paragraph 8 of his affidavit, Mr. Morrison explains that each carton of cigarettes contains 10 individual packages of cigarettes and would also feature similar brown packaging. He also asserts that where sales data references sales of cigarette sticks, he has in some cases also provided the approximate cigarette package equivalent by dividing the stick sales by 20 (amounting to an approximate number of individual 20-stick packages). In my review of the data, I have considered, where available, only the more specific information, namely that outlining sales volumes in stick equivalent by accounting both for the sale of 20 and 25-stick packages and have excluded sales outside the scope of the relevant dates.

[71] For its part, the Applicant contends that the packaging for these products “is clearly gold in colour and not brown, having the appearance of unbleached paperboard”. With respect, I disagree with the Applicant’s position.

[72] Having examined Exhibits 7, 8 and 13 to the Morrison affidavit as well as Exhibit CM-19 to the McDonald affidavit, I am satisfied that they each show cigarette packages of different shades of the colour brown.

[73] In the absence of further representations on this point, I take note that the *Canadian Oxford Dictionaries* define the terms “brown” and “gold” as:

brown

“having the colour produced by mixing red, yellow, and black, as of dark wood or rich soil”;

“a brown colour or pigment”.

gold

“a yellow precious metal, the chemical element of atomic number 79, used especially in jewellery and decoration and to guarantee the value of currencies”;

“the colour of gold”;

“coloured like gold”; or as
“something precious, beautiful, or brilliant”.

[74] Although I can conceive that both gold and brown are colours that can come in an array of different shades and hues that may or may not eventually bear some similarities (the colour yellow being one of the components required to produce the colour brown), I do not see the above cigarettes’ packages as displaying mainly yellow, metallic or glittering tones characteristic of the colour gold and I am not convinced that consumers would perceive them as such either. Incidentally, I note that where a shiny finish (highlight or reflection) may be observed in their appearance from some of the photographic renditions produced into evidence, it seems attributable to the transparent plastic film (cellophane) used to wrap the individual cigarette packages. I further note that there is nothing on either packaging suggesting that it is another colour other than brown. In this regard, contrary to the Applicant’s contention, I find that the fact that the Opponent may have referred to a variant of its NEXT “smooth” cigarettes as “NEXT Gold” in some of its invoices, is not in itself sufficient to support the conclusion that it necessarily did so meaning to convey the color of its cigarette packaging instead of another idea, such as the grade/quality or value of its cigarettes, for instance. In any event, even if that were the case, I am not persuaded that it would inevitably result in consumers perceiving the colour displayed on such packaging as being gold instead of a shade of brown.

[75] Moreover, having concluded that the Applicant’s colour description is ambiguous and does not clearly define what the Mark consists of, it is difficult to give any weight to the Applicant’s argument that “none of the product packages included in the Morrison and McDonald affidavits depict the colour brown having the appearance of unbleached paperboard”, being uncertain of whatever said colour is or might be. In this regard, the Opponent submits that if, in examining the non-conformity grounds above, it is found that it is not mandatory for the Applicant to specifically reference the shade or hue of the colour claimed in its application for the Mark, then it ensues that all shades and hues of the colour in question, forming part of the Applicant’s colour claim, should be considered as relevant when examining third party use under the present ground. Subject to my following comments regarding flavours and in the context of assessing whether consumers would be accustomed to seeing tobacco products sold in brown coloured packages in the tobacco marketplace, I cannot but agree.

[76] To sum up, the quantity of cigarettes sales evidenced by the Opponent appears significant enough to substantiate the finding that consumers were accustomed to seeing cigarettes sold in packages displaying different shades of the colour brown as of the relevant dates. I will return to this point later.

b. Use of brown packaging in association with other tobacco products

[77] The Opponent also introduces evidence relating to its own and other third party tobacco products other than cigarettes sold in various brown shaded packages, being mainly: cigars, cigarillos, tobacco and rolling paper. As set out in the *ORANGE Decisions, supra*, cigarettes, cigars, cigarillos, tobacco and rolling paper are all related goods, all part of the tobacco industry and even if I were to assume that they would target a different demographic, customer or market segment within said industry, it does not change the fact that they are normally sold side by side through the same channels of trade. I thus consider the evidence of the non-cigarette products to be relevant to this ground.

[78] Considering first the Opponent's own such product, Mr. Morrison explains that the Opponent has been a licensee of the CAPTAIN BLACK brand of tobacco products, which includes the CAPTAIN BLACK pipe tobacco cigars [Exhibit 9 to the Morrison affidavit and Exhibit CM-3 to the McDonald affidavit], in Canada since at least as early as 2006 and that this product has been manufactured and sold by the Opponent under license from its trade-mark owner. Upon thorough review of the relating sales data provided by Mr. Morrison, I note that over 69 million packages of CAPTAIN BLACK pipe tobacco cigars were sold prior to the relevant date for the '729 Application and that over 72 million packages of CAPTAIN BLACK pipe tobacco cigars were sold prior to the relevant date for the '733 Application. Here as well, the Applicant contends that the packaging for this product is "gold in colour rather than brown, and [is] clearly identified on the packaging as CAPTAIN BLACK 'GOLD'." For reasons similar to those outlined above in the discussion on the same subject in the context of cigarette packaging, I tend to disagree.

[79] In my view, this package displays a vintage-looking world map reminiscent of a faded and/or stained paper-like colour that could arguably be viewed as a light shade of brown (or a pale yellowish brown). It does also contain a mention "GOLD • OR", which however seems to

bear a laudatory connotation, that is one suggesting the grade/quality of the product contained therein rather than the colour of the packaging that contains it. In other words, I believe that consumers may be more likely to perceive the presence of the terms “GOLD • OR” on this packaging as an indication that it contains cigars of a superior quality, rather than as an indication that the packaging is gold in colour instead of light brown.

[80] Turning to the third party tobacco products other than cigarettes, some of the ones I have retained in my analysis bear flavour indications on their packaging, more specifically: wild rum, molasses/coconut, vanilla, chocolate, dutch chocolate and café moka. In that regard, I do not consider it appropriate to envisage the mention “wild ‘n natural” appearing on one of the cigar packages as a flavour in the same sense as the ones above as submitted by the Applicant, as I rather view the mention as one suggestive of the product’s blend/taste profile (comparable to indications such as “smooth taste”).

[81] Although I believe that they arguably display brown coloured packages, I also note that there is no evidence of sales or advertising figures within the relevant dates for the following tobacco products: the flavourless Toscano – Extra Vecchio cigars [Exhibit CM-21 to the McDonald affidavit], the Raw rolling paper [Exhibit CM-33 to the McDonald affidavit], the molasses/coconut-flavoured El Nakhla tobacco [Exhibit CM-9 to the McDonald affidavit], the dutch chocolate-flavoured Honey T cigars [Exhibit CM-17 to the McDonald affidavit], the vanilla-flavoured Prime Time cigars [Exhibit CM-18 to the McDonald affidavit], the café moka-flavoured M by Colts cigarillos [Exhibit CM-20 to the McDonald affidavit], the vanilla-flavoured Blackstone Pipe Tobacco Cigars tip cigarillos [Exhibit CM-28 to the McDonald affidavit] and the chocolate-flavoured Hav-a-Tampa – Jewels cigars [Exhibit CM-29 to the McDonald affidavit]. I therefore will not consider these products as relevant to the issue of distinctiveness.

[82] In terms of novelty flavoured products, this leaves the wild rum-flavoured BackWoods – Authentic cigars [Exhibit CM-6 to the McDonald affidavit and Exhibit 15 to the Morrison affidavit] and the vanilla-flavoured Honey T Cigars [Exhibit CM-16 to the McDonald affidavit and Exhibit 22 to the Morrison affidavit].

[83] In relying on the *ORANGE Decisions, supra*, the Applicant submits that all flavoured products are “irrelevant to the issue of distinctiveness [...] because consumers would understand the colour on the package as referring to the flavor rather than being used in a trademark sense” [my underlining]. In support of this contention, the Applicant more specifically refers to the *FC 608 Decision* at paragraph 58, reproduced below:

Second, much of JTI’s evidence relates to products displaying the word “peach” on the packaging. In my view, it was open to the Board to conclude that these products will be associated with the colour peach, rather than the colour orange. This is a matter of weighing the evidence relating to an issue that lies at the heart of the Board’s expertise. JTI does not address the irrelevance of the peach products. Therefore, deference is warranted with respect to this finding of fact. [My underlining.]

[84] I note that this excerpt from the *FC 608 Decision* reverts to the comments of Board Member Folz in the *116 Decision* at paragraph 48 and in the *117 Decision* at paragraph 42:

Of the five third party tobacco products for which Mr. Sue provided sales data for prior to the material date, three of them refer to the word “peach” on their packaging. This suggests to me that this is the flavour associated with the ware. In my view, it follows that consumers would view the colour being used on the packaging as the colour peach as opposed to the colour orange.

[85] With respect, I fail to understand how the citation of paragraph 58 of the *FC 608 Decision* supports the Applicant’s position that all flavoured tobacco products are irrelevant to the issue of distinctiveness because consumers would understand the colour on the packaging to refer to the flavour as opposed to as a trade-mark.

[86] First, I note that it is well established that third party use under the present ground does not necessarily have to qualify as use as a trade-mark within the scope of section 4 of the Act [*3M Co. v Tape Specialities Ltd* (2008), 70 CPR (4th) 138 (TMOB); and *117 Decision, supra*, at para 38].

[87] Second, I do not read the *ORANGE Decisions, supra*, as necessarily discounting all flavoured tobacco products from the analysis under the present ground of opposition. Rather, it is only when a flavour description indicated on a product would arguably influence the public’s perception and designation of the colour appearing on a given product (e.g. the colour “peach” rather than orange), that such flavoured product may or not be discounted.

[88] In the present cases, while the *Canadian Oxford Dictionaries'* definitions of the term “vanilla” indicate that it can also serve as a colour designation, I cannot help but notice a difference regarding the terms “rum” or “wild rum”. Unlike the colour “peach” (defined as “a pinkish-yellow colour like that of a peach” and as “the orange-pink colour of a peach”) or the colour “vanilla” (defined as “of the creamy colour of vanilla ice cream”), the terms “rum” or “wild rum” are not colours *per se*. Thus, while I can conceive that consumers would associate the flavour of rum to cigars purchased in a brown pack sporting the mention “wild rum”, I find it too far a stretch to conclude that consumers would also view such product packaging as being the colour “rum” or “wild rum” (there being no such thing) instead of the colour brown. Put another way, whether consumers would associate the flavour of rum with the wild rum-flavoured BackWoods – Authentic cigars put into evidence under Exhibit 15 to the Morrison affidavit does not change the fact that the packaging for same displays shades of the colour brown, and is as such pertinent in the context of assessing whether consumers would be accustomed to seeing tobacco products sold in brown coloured packages in the tobacco marketplace.

[89] As a result, I discount only the remaining “vanilla” third party flavoured tobacco product, more specifically the vanilla-flavoured Honey T cigars [Exhibit CM-16 to the McDonald affidavit and Exhibit 22 to the Morrison affidavit], as the packaging of which may be associated by consumers as the colour vanilla as opposed to the colour brown.

[90] The sales data for the seven remaining third party tobacco products in evidence displaying various shades of the colour brown on their packaging indicates that over 1,5 million packages were sold in Canada prior to the relevant dates for this ground of opposition. To be more precise, these include: over 1 million packages of Amphora Original Blend pipe tobacco [Exhibit CM-1 to the McDonald affidavit and Exhibit 18 to the Morrison affidavit]; 140 packages of Toscano – Toscanello cigars [Exhibit CM-5 to the McDonald affidavit and Exhibit 26 to the Morrison affidavit]; over 4,000 packages of Original Choice pipe tobacco [Exhibit CM-13 to the McDonald affidavit and Exhibit 24 to the Morrison affidavit]; over 175,000 packages of Amphora Mellow Blend pipe tobacco [Exhibit CM-14 to the McDonald affidavit and Exhibit 17 to the Morrison affidavit]; 294,488 packages of Backwoods Wild ‘n Natural cigars [Exhibit CM-26 to the McDonald affidavit and Exhibit 14 to the Morrison affidavit]; over 10,000 packages of Guantanamo 3 Minutos cigars [Exhibit CM-30 to the

McDonald affidavit and Exhibit 23 to the Morrison affidavit]; and over 111,000 packages of wild rum-flavoured BackWoods – Authentic cigars [Exhibit CM-6 to the McDonald affidavit and Exhibit 15 to the Morrison affidavit].

[91] As mentioned above, the remainder of the Opponent’s evidence relates to tobacco products in packaging that is not *per se* the colour brown or for which there is no evidence of either sale or advertising in Canada prior to the material dates.

[92] That said, I believe that the Opponent has adduced more than enough evidence establishing that brown coloured packages were common to the tobacco industry as of the material dates and has therefore met its evidential burden.

[93] Although the case law is not clear as to the extent of sales that the Opponent must evidence in that sense, I believe that the above-described sales in excess of 28 million cartons of cigarettes, as well over 1,5 million packages of third party related tobacco products and over 69 million packages of the Opponent’s CAPTAIN BLACK pipe tobacco cigars, all arguably displaying the colour brown on their packaging, are in no way minimal, but more than sufficient, particularly when compared to the 1,9-2,2 million packages of the Applicant’s cigarettes sold prior to the relevant dates. As I do not believe the rest of the Applicant’s evidence (including its advertising expenses and its reported distribution of promotional material) to be sufficient to meet the Applicant’s legal onus of showing that the applied-for Mark was distinctive of source as of the material dates, I find that the distinctiveness ground of opposition pleaded at paragraph 18(d) of the statement of opposition succeeds in both cases.

c. Brown cardboard shipping boxes

[94] The Opponent argues that the brown cardboard packages it uses to ship the various tobacco products it manufactures are also relevant to the issue of distinctiveness. At the hearing, the Applicant in turn suggested that while said cardboard packages are being used for shipping branded merchandise, they are not the tobacco products’ primary packaging and their use does not qualify as use as a trade-mark within the meaning of the Act.

[95] As mentioned above, third party use does not need to qualify as proper trade-mark use in order to be considered when examining the question of distinctiveness. That said, while the

shipping cardboard boxes' relevancy is in my view debatable, having already determined that the Opponent is successful under the present ground of opposition, resolving this issue is unnecessary.

Remaining grounds of opposition

[96] Having already determined that the Opponent was successful on two grounds of opposition, I do not find it necessary to discuss the remaining grounds of opposition.

DISPOSITION

[97] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse each application pursuant to section 38(8) of the Act.

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Excerpts from the amended statement of opposition filed in respect of the '729 Application [Identical grounds of opposition pleaded in respect of the '733 Application].

“4. The Opponents base this opposition on the grounds of opposition set out below.

Section 38(2)(a) and Section 30

5. The Opponents base this opposition on the ground provided by paragraph 38(2)(a) of the *Act* in that the Application does not conform to the requirements of section 30 of the *Act*. In particular, section 30 provides that the Applicant must be applying to register a "trade-mark". The alleged trade-mark depicted and described in the Application is not a "trade-mark" within the meaning of section 2 of the *Act* for the following reasons:

- a. Under section 2 of the *Act*, a trade-mark is defined as a mark that is used for the purpose of distinguishing or so as to distinguish an applicant's wares from those of others;
- b. The alleged trade-mark, namely the colour brown as applied to the claimed packaging, is merely ornamental and is not, nor can it function as, a trade-mark as defined by the *Act*;
- c. The alleged trade-mark is merely an ornamental colour alone without defining with any specificity the associated size or shape of the trade-mark, or alternatively, the alleged trade-mark is merely an ornamental colour in association with a common shape. In either case, the alleged trade-mark is not, nor can it function as, a trade-mark as defined by the *Act*;
- d. The alleged trade-mark as described and depicted in the Application is vague and imprecise, there being no specific reference to the shade or hue of the claimed colour brown other than as 'having the appearance of unbleached paperboard', a phrase that is devoid of meaning. The description 'the colour brown having the appearance of unbleached paperboard' is not a colour and is insufficient to adequately describe the alleged trade-mark as unbleached paperboard could describe a range of colours; and

e. At the time of transfer in the property of the wares, the alleged trade-mark is not marked on the wares or otherwise so associated with the wares that notice of the association is then given to the person to whom the property is transferred, as the alleged trade-mark is simply the background colour featured on a small portion of a commonly shaped cigarette package on which other markings and indicia of source appear.

6. The Opponents base this opposition on the ground provided by paragraph 38(2)(a) of the *Act* in that the Application does not conform to the requirements of section 30(b) of the *Act*. The alleged trade-mark has not been used in Canada as of the date claimed in the Application in association with the wares referred to in the Application, including in that:

a. Within the meaning of ss. 2 and 4 of the *Act*, the Applicant does not, nor has it ever, used the alleged trade-mark as described and depicted in the Application. At the time of transfer of the property in or possession of the wares in the ordinary course of trade, the alleged trade-mark is not depicted in the manner claimed in the Application to the persons to whom property in or possession of the wares is transferred; and

b. Alternatively, if the alleged trade-mark is depicted at the time of transfer in the property of the wares, the alleged trade-mark is not marked on the wares or otherwise so associated with the wares that notice of the association is then given to the person to whom the property is transferred, as the alleged trade-mark is simply the background colour featured on a small portion of the packaging, the packaging being a commonly shaped cigarette package on which other markings and indicia of source appear. The colour brown as claimed in the Application is not indicative of source.

7. The Opponents base this opposition on the ground provided by paragraph 38(2)(a) of the *Act* in that the Application does not conform to the requirements of section 30(h) of the *Act*. The Application does not contain an accurate drawing and representation of the alleged trade-mark. The Application was filed based on use in Canada since November 5, 2012. The alleged trade-mark as used is not the trade-mark as depicted in the Application. The drawing filed with the Application does not adequately depict the alleged trade-mark or properly define the limits of the trade-mark monopoly, nor does the Application contain a sufficient number of accurate

representations so as to set out all features of the alleged trade-mark. Accordingly, the Application is contrary to section 30(h) of the *Act*.

8. In addition, the drawing does not accurately represent the alleged trade-mark, as there is no definition to the size or dimensions of the "package", with the result that the Application is simply an application to register a colour alone without association to a defined shape or size of package.

9. Lastly, the drawing and description of the alleged trade-mark clearly show that the subject matter for which registration is sought is a distinguishing guise (as defined by section 2 of the *Act*) and the Application should have been filed as such. The requirements of section 13 of the *Act* have not been met.

10. The Opponents base this opposition on the ground provided by paragraph 38(2)(a) of the *Act* in that the Application does not conform to the requirements of section 30(i) of the *Act*. At the date of filing, or any other material time, the Applicant could not have been satisfied it was entitled to use the alleged trade-mark in Canada in association with the wares specified in the Application. The Applicant was aware that the alleged trade-mark was not a trade-mark for the reasons outlined above.

11. In addition, contrary to section 30(i) of the *Act*, the Applicant was also aware that any grant to the Applicant of exclusivity in the use of the colour 'brown' as claimed is contrary to public policy as leading to an exhaustion of the colour availability to others. The Applicant and its related company, Imperial Tobacco Products Limited, have filed numerous applications attempting to seek exclusive rights in colours per se which singularly and together are contrary to the proper scope of trade-mark legislation and policy; in addition to the Application, the following applications have been filed: Brown Package Design (1605733), Purple Package Design (1580250), Purple Package Design (1580255), Orange Package Design (1317127), and Orange Package Design (1317128).

Section 38(2)(b) and Sections 12 and 13

12. The Opponents base its opposition on the ground provided by paragraph 38(2)(b) of the *Act* in that the alleged trade-mark is not registrable. If the alleged trade-mark is a trade-mark at all, which is denied, it is a distinguishing guise as defined in section 2 of the *Act* and as such, it is not registrable pursuant to section 12 because the requirements of section 13 of the *Act* have not been met. The alleged trade-mark relates to the mode of wrapping or packaging of the wares.

Section 38(2)(b) and Sections 12(1)(d)

13. The Opponents base this opposition on the ground provided by paragraph 38(2)(b) of the *Act* in that the alleged trade-mark is not registrable as it contravenes the provisions of Section 12(1)(d) of the *Act*. The alleged trade-mark as applied to the wares identified in the Application is confusing with the previously registered trade-marks: AMPHORA MELLOW BLEND & Design (TMA591146), AMPHORA ORIGINAL BLEND & Design (TMA591224), DJARUM SPICE ISLANDS & Design (TMA686970), and TOSCANI (TMA527719).

Section 38(2)(b) and Sections 12(1)(e) and 10

14. The Opponents base this opposition on the ground provided by paragraph 38(2)(b) of the *Act* in that the alleged trade-mark is not registrable as it contravenes the provisions of Section 12(1)(e) of the *Act* in that it is a mark of which the adoption is prohibited by Section 10 of the *Act*. The alleged trade-mark has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind and/or quality of the wares in that brown unbleached paperboard has become recognized as designating recycled packaging and/or environmentally friendly or natural packaging or products.

Section 38(2)(c) and Section 16

15. The Opponents base this opposition on the ground provided by paragraph 38(2)(c) of the *Act* in that the Applicant is not the person entitled to registration of the alleged trade-mark pursuant to section 16(1)(a). The Applicant is not the person entitled to registration of the alleged trade-mark since at the claimed date of first use and the Application filing date, the alleged trade-

mark was and is confusing with the Philip Morris Package Design trade-mark of PM Brands as associated with tobacco products, previously used and made known in Canada by its predecessor in title, Imperial Tobacco Products Limited and its predecessors, since at least as early as 1934.

16. The Opponents base this opposition on the ground provided by paragraph 38(2)(c) of the *Act* in that the Applicant is not the person entitled to registration of the alleged trade-mark pursuant to section 16(1)(a). The Applicant is not the person entitled to registration of the alleged trade-mark since at the claimed date of first use and the Application filing date, the alleged trade-mark was and is confusing with the wares of others, including tobacco products sold in Canada in association with the trade-marks [...] Captain Black, previously used and made known in Canada.

17. The Opponents base this opposition on the ground provided by paragraph 38(2)(c) of the *Act* in that the Applicant is not the person entitled to registration of the alleged trade-mark pursuant to section 16(1)(b). The Applicant is not the person entitled to registration of the alleged trade-mark since at the claimed date of first use and the Application filing date, the alleged trade-mark was and is confusing with the NEXT & Design trade-mark in respect of which an application for registration had been previously filed on June 8, 2010 and assigned application number 1484251.

Section 38(2)(d) and Section 2

18. The Opponents base this opposition on the ground provided by paragraph 38(2)(d) of the *Act* in that the alleged trade-mark is not distinctive within the meaning of section 2 of the *Act*. That is, the alleged trade-mark cannot distinguish, nor is it adapted to distinguish, the wares in association with which it has allegedly been used in Canada, from the wares of others, including those of the Opponents. More particularly, the alleged trade-mark cannot be distinctive of the Applicant as:

- a. The alleged trade-mark is merely ornamental and cannot inherently function as a trade-mark;
- b. The alleged trade-mark is incapable of functioning as a trade-mark as it is not marked on the wares or otherwise so associated with the wares that notice of the

association is then given to the person to whom the property is transferred, as the alleged trade-mark is simply the background colour featured on a small portion of a commonly shaped cigarette package on which other markings and indicia of source appear, and therefore, does not actually distinguish the wares in association with which it is used by the Applicant from the wares of others, nor is it adapted so to distinguish them;

c. The alleged trade-mark is incapable of functioning as a trade-mark as the representation and description of the alleged trade-mark is vague and imprecise, not being limited by reference to a specific shade or hue of the colour brown other than as 'having the appearance of unbleached paperboard', and therefore, does not actually distinguish the wares in association with which it is used by the Applicant from the wares of others, nor is it adapted so to distinguish them; and

d. Alternatively, if the alleged trade-mark is inherently capable of being a trade-mark at all (which is denied), it is not distinctive of the Applicant as it does not actually distinguish the wares in association with which it is used by the Applicant from the wares of others, including tobacco products sold in Canada in association with the trade-marks Philip Morris Package Design, Backwoods, Organic Yuma, Guantanamera, Bullseye, Phillies Blunt, Djarum Natural Leaf, Original Choice, Toscane Classico, OCB, Raw, Amphora, Toscane Toscanello, El Nakhla, Dutch Masters, Panter, Mehari's, Clubmaster and Captain Black, nor is it adapted so to distinguish them.”

SCHEDULE B

Exhibits	Details
CM-1	Photograph of Amphora Original Blend Pipe Tobacco
CM-2	Copy of a receipt for “Amphora Original Blend” dated February 15, 2014 from Super Smoke located at 685 Yonge St, Toronto
CM-3	Photograph of Captain Black Gold Pipe Tobacco Cigars
CM-4	Photograph of Dutch Masters – Cognac Cigarillos
CM-5	Photograph of Toscano – Toscanello Cigars
CM-6	Photograph of BackWoods – Authentic Cigars (Wild Rum)
CM-7	Photograph of Mehari’s Cigarillos
CM-8	Photograph of Clubmaster – 10 Elegantes Sumatra
CM-9	Photograph of El Nakhla – (Coconut)
CM-10	Photograph of Panter Mignon
CM-11	Copy of a receipt dated February 18, 2014 for the products depicted in Exhibit CM-3 to CM-10 from Casablanca Tobacconist located at 4 King St. West, Toronto (Casablanca Tobacconist)
CM-12	Photograph of Phillies Blunt Cigars (Coconut)
CM-13	Photograph of Original Choice Pipe Tobacco
CM-14	Photograph of Amphora Mellow Blend Pipe Tobacco
CM-15	Copy of the receipt dated February 25, 2014 for the purchase of “Amphora Mellow Blend” depicted in Exhibit CM-14 from Casablanca Tobacconist
CM-16	Photograph of Honey T Cigars (Vanilla)
CM-17	Photograph of Honey T Cigars (Dutch Chocolate)
CM-18	Photograph of Prime Time Cigars (Vanilla)
CM-19	Photograph of Export A cigarettes
CM-20	Photograph of M by Colts Cigars
CM-21	Photograph of Toscano – Extra Vecchio Cigars
CM-22	Copy of a receipt dated July 23, 2014 for the purchase of the products depicted in Exhibit CM-16 to CM-21 from Casablanca Tobacconist
CM-23	Photograph of Toscano – Classico Cigars
CM-24	Photograph of Djarum Cigars (Vanilla)
CM-25	Photograph of Bullseye Cigars (Vanilla)
CM-26	Photograph of Backwoods Wild ‘n Natural Cigars

CM-27	Photograph of Captain Black – Gold Pipe Tobacco
CM-28	Photograph of Blackstone Pipe Tobacco Cigars (Vanilla)
CM-29	Photograph of Hav-a-Tampa – Jewels Chocolate
CM-30	Photograph of Guantanamera 3 Minutos
CM-31	Copy of a receipt dated July 24, 2014 for the purchase of the products depicted in Exhibit CM-27 to CM-30 from Casablanca Tobacconist
CM-32	Photograph of Organic Yuma cigarettes
CM-33	Photograph of Raw rolling paper
CM-34	Photograph of OCB rolling paper

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2018-07-11

APPEARANCES

James Green

FOR THE OPPONENT

Timothy Stevenson

FOR THE APPLICANT

AGENTS OF RECORD

GOWLING WLG (CANADA) LLP

FOR THE OPPONENT

SMART & BIGGAR

FOR THE APPLICANT