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

Citation: 2019 TMOB 27

Date of Decision: 2019-03-27

IN THE MATTER OF OPPOSITIONS

JTI-Macdonald TM Corp.

Opponent

and

Imperial Tobacco Products Limited

Applicant

1,580,250 and 1,580,255 both entitled

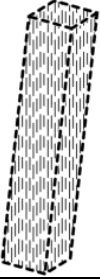
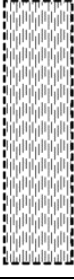
Applications

PURPLE PACKAGE DESIGN

INTRODUCTION

[1] JTI-Macdonald TM Corp. (the Opponent) opposes registration of the trade-marks both entitled PURPLE PACKAGE DESIGN (reproduced below) that are respectively the subject of application Nos. 1,580,250 and 1,580,255 based upon use in Canada since August 2011 in association with “manufactured tobacco products, namely cigarettes” (the Goods) filed by Imperial Tobacco Products Limited (the Applicant):

Application No. 1,580,250 (hereinafter sometimes referred to as the '250 Application)	Application No. 1,580,255 (hereinafter sometimes referred to as the '255 Application)
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<p>Description: The trade-mark consists of the colour purple 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 purple 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 '250 Application depicts a three-dimensional design, while the '255 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); 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 June 1, 2012 and were advertised for opposition purposes in the *Trade-marks Journal* on January 9, 2013 ('250 Application) and December 26, 2012 ('255 Application).

[6] The applications were opposed by the Opponent by way of statements of opposition filed with the Registrar on June 10, 2013 ('250 Application) and May 27, 2013 ('255 Application). On August 20, 2013, in response to the Applicant's request for an interlocutory ruling, the Opponent sought leave to file amended statements of opposition in both files. By way of Office letters dated November 8, 2013, leave was granted to the Opponent and the first sentence of paragraph 3.1 of each of the amended statements of opposition was struck by the Registrar.

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

[8] On December 4, 2013, the Opponent sought leave to file re-amended statements of opposition in both files. Leave was granted by the Registrar on January 30, 2014. Unless indicated otherwise, I will hereafter collectively refer to these two re-amended statements of opposition as “the statement of opposition” as they are essentially identical (except for the identification of the applied-for trade-mark and some of the section 30 grounds of opposition). For ease of reference, I reproduce the grounds of opposition as pleaded by the Opponent in respect of the '250 Application and the '255 Application respectively, at Schedules A and B to my decision.

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

- The affidavit of Richard Sue, the Manager, Scenario Planning and Forecasting for the Opponent, sworn on March 31, 2014 (the Sue affidavit);
- The affidavit of Andrew Shannon, the head of Consumer and Trade Marketing Canada for the Opponent, sworn on March 28, 2014 (the Shannon affidavit); and
- The affidavit of Manon Goudreau, an employee in the trade-mark group of the Opponent’s trade-marks agent, sworn on April 4, 2014 (the Goudreau affidavit).

[10] I will use the singular to refer to the two affidavits of each of these deponents as they are essentially identical. Messrs. Shannon and Sue were cross-examined on their respective affidavits and the transcripts of their cross-examinations and the responses to the undertakings made at the time of their cross-examinations are on the record.

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

- The affidavit of Jason Dacayanan, the Brand Manager for, *inter alia*, the VOGUE brand of cigarettes at Imperial Tobacco Canada Limited (ITCan), a related company to the Applicant, sworn on June 1, 2015 (the Dacayanan affidavit);
- The affidavit of Michael Duchesneau, a law clerk for the Applicant’s trade-mark agent, sworn on June 1, 2015 (the Duchesneau affidavit); and
- The affidavit of Gay Owens, a trade-mark searcher for the Applicant’s trade-mark agent, sworn on June 1, 2015 (the Owens affidavit).

[12] I will use the singular to refer to the two affidavits of each of these deponents as they are essentially identical. Mr. Dacayanan 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.

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

PRELIMINARY REMARK

Past opposition proceedings between the parties

[14] 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 specific shape depicted, and which were opposed by the Opponent in the present cases as well as Rothmans, Benson & Hedges, Inc. on similar grounds of opposition. The Registrar's decisions dismissing both of the Opponent's oppositions and Rothmans, Benson & Hedges, Inc.'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*).

[15] 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 in the

present cases. 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

[16] 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 [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

OVERVIEW OF THE EVIDENCE

The Opponent's evidence

The Sue affidavit

[17] In the introductory paragraphs of his affidavit, Mr. Sue explains his role within the Opponent and also provides background information about the Opponent's business as a manufacturer and distributor of cigarettes, cigars and other tobacco products.

[18] Mr. Sue explains that he is responsible for preparing sales forecasts, conducting market analysis regarding the tobacco industry in Canada, administering the Opponent's sales data, preparing detailed forecasts for strategic planning, and gathering and analyzing sales data from retailers, wholesalers, and third party service providers [para 1].

[19] Mr. Sue further explains that some wholesalers and retailers voluntarily provide the Opponent with data related to sales volumes of all tobacco products they sell, including products of third parties (the Sales Data). The Sales Data is provided to the Opponent directly from wholesalers and retailers and is inputted by the Opponent's employees into an internal database (the Database) on a weekly basis. The Database is one of the Opponent's business records, created and maintained in the ordinary course of its business [paras 2-6].

[20] Mr. Sue then provides the Sales Data retrieved from the Opponent's Database for the following third party tobacco products, together with photocopies of their associated packaging:

- PT Blunts cigars (grape-flavoured product) [Exhibit RS-1, para 8];
- Phillies cigars (berry-flavoured product and grape-flavoured product) [Exhibits RS-2 and RS-3, paras 9-10];
- Bullseye cigars (raspberry-flavoured product and grape-flavoured product) [Exhibits RS-4 and RS-5, paras 11-12];
- Swisher Sweets mini cigarillos (grape-flavoured product) [Exhibit RS-6, para 13];
- Blackstone tipped cigarillos (wine-flavoured product) [Exhibit RS-7, para 14];
- Backwoods cigars (“honey berry”-flavoured product and grape-flavoured product) [Exhibits RS-8 and RS-9, paras 15-16];
- Honey T cigars (grape-flavoured product) [Exhibit RS-10, para 17];
- Quorum Little Q cigars [Exhibit RS-11, para 18];
- Prime Time Plus cigars (grape-flavoured product) [Exhibit RS-12, para 19]; and
- Skoal Long Cut smokeless tobacco (berry-flavoured product) [Exhibit RS-13, para 20].

[21] Mr. Sue explains that the Sales Data for the products discussed in his affidavit are based on sales volume information provided by tobacco wholesalers and tobacco retailers across all provinces in Canada, except Prince Edward Island. He further explains that these particular tobacco wholesalers represent approximately 90% of tobacco wholesalers in Canada, while these particular tobacco retailers represent approximately 20% of tobacco retailers. Accordingly, he asserts that total sales by tobacco retailers to adult consumers of these third party tobacco products in Canada would likely be significantly greater than the numbers reported [paras 21 and 22].

[22] The Applicant has objected to the evidence filed in the Sue affidavit on the basis that it constitutes hearsay evidence. As discussed later in my decision, I agree with the Applicant.

The Shannon affidavit

[23] In the first part of his affidavit, Mr. Shannon provides information regarding one of the tobacco products manufactured and distributed by the Opponent, namely the MACDONALD SPECIAL Super Slims cigarettes (MS SUPER SLIMS).

[24] Mr. Shannon asserts that the MS SUPER SLIMS cigarette product was launched in Canada in September 2012 and that the package for this product bears the trade-marks MACDONALD SPECIAL/MACDONALD SPÉCIALE “on a background featuring the colour purple”. In support, he attaches as Exhibit A to his affidavit photocopies representing the MS SUPER SLIMS cigarette product, as launched and sold in Canada “leading up to May 27, 2013”. Mr. Shannon attests that this product is still offered for sale and sold in Canada in the same package as depicted in Exhibit A to his affidavit [paras 2-3].

[25] Mr. Shannon asserts that in support of the September 2012 launch, various trade-materials were distributed to retailers across the provinces of Quebec and Ontario, as per the following exhibits attached to his affidavit:

- Exhibit B: Pictures of a product information kit that was distributed “to the trade” between September and December 2012. Mr. Shannon explains that the menthol version of the MS SUPER SLIMS cigarette product is also contained in this product information kit and that “over seven hundred (700)” of these information kits were distributed in Quebec and Ontario in “retails accounts, during trade shows and in HORECA (hotels, restaurants and cafés allowed to sell tobacco products) locations”. “Approximately another hundred (100) information kits” were used by the Opponent’s representatives to show the MS SUPER SLIMS cigarette product to retailers during their store visits [para 4].
- Exhibit C: A digital copy of the trade flyers in both French and English inserted in the information kits depicted in Exhibit B [para 4].
- Exhibit D: Digital copies of backroom posters installed in retail locations “where only retail clerks and managers can see them”. Mr. Shannon asserts that 4,000 copies of those posters were distributed in Quebec and Ontario between September and October 2012 [para 4].

[26] Mr. Shannon states the MS SUPER SLIMS cigarette product has been offered for sale in “approximately” 5000 retail outlets in Ontario and 4600 retail outlets in Quebec since its launch [para 5].

[27] Concerning the term “superslims”, Mr. Shannon explains that it is a “commonly used term” in the tobacco industry that refers to cigarettes which are “longer and have a smaller circumference than standard size cigarette”. He further explains that in the tobacco industry, market share is measured by “segments” and the “superslims” cigarettes are “considered to belong to one particular segment” [para 6].

[28] Mr. Shannon asserts that when the MS SUPER SLIMS cigarette product was launched, “only two main tobacco brands competed in the superslims segment, namely VOGUE (belonging to the Applicant) and B&H.” He further asserts that “within six (6) months” of the launch, the MS SUPER SLIMS cigarette product “had gained 15% share of the superslims segment for the provinces of Quebec (19%) and Ontario (11%) combined”. Mr. Shannon asserts that at the end of 2013, the MS SUPER SLIMS cigarette product “occupied 11% share of the superslims segment in Ontario and 29% share of the superslims segment in Quebec” [para 7].

[29] Mr. Shannon asserts that from the launch in September 2012 until the end of February 2013, the Opponent shipped over 9.27 million sticks of the MS SUPER SLIMS products and 4.52 million sticks respectively, to wholesalers in Quebec and Ontario. Mr. Shannon explains that some retailers of the Opponent’s products also provide the Opponent with data related to sales volumes of the tobacco products they sell. Based on the sales data available to the Opponent during this period of time, which “only represents approximately 25% to 30% of total sales to consumers”, Mr. Shannon asserts that “over 2 million” sticks were sold in Quebec and “close to 700,000” sticks [as corrected by Mr. Shannon in his cross-examination, at Q. 5] in Ontario. He explains that there are 20 sticks in a pack of the MS SUPER SLIMS product, so that sales of 2.7 million sticks represent 135 000 packs to consumers [para 8].

[30] In the second part of his affidavit, Mr. Shannon turns to the Applicant’s VOGUE superslims cigarettes.

[31] More particularly, Mr. Shannon provides the following exhibits to his affidavit:

- Exhibit E: photocopies representing the Applicant’s VOGUE superslims cigarette package. Mr. Shannon asserts that the photocopies are representative of the packaging

used to sell the Applicant's VOGUE superslims cigarette product in Canada "since the date of its launch sometime in August 2011 and leading up to" the spring 2013 [para 9].

- Exhibit F: photocopies of extracts of an alternative product guide featuring the Applicant's VOGUE superslims package advertised by Imperial Tobacco Company [para 10].

[32] Mr. Shannon asserts that the Applicant's VOGUE superslims cigarette product "would be offered for sale in various retail outlets throughout Canada, including the same retail outlets than those offering for sale the MS SUPER SLIMS cigarette product". Mr. Shannon further asserts that the Applicant's VOGUE superslims cigarette product is part of the "superslims" segment referred to in his affidavit [paras 11-12].

The Goudreau affidavit

[33] Ms. Goudreau attaches as Exhibits MG-2 to MG-23 the particulars of various trade-marks applications and registrations, which can be grouped into three categories: (i) trade-mark registrations including the term "VOGUE" owned by the Applicant (or companies related to the Applicant); (ii) trade-mark applications comprised of single colours without words in association with tobacco and tobacco related products owned by the Applicant (or companies related to the Applicant); and (iii) trade-mark applications and registrations standing in the names of various third party owners wherein colour is claimed as a feature of the trade-mark.

The Applicant's evidence

The Dacayanan affidavit

[34] In the introductory paragraphs of his affidavit, Mr. Dacayanan provides some background information about the ownership and licensing of the VOGUE Superslims family of cigarettes. He explains that pursuant to a license agreement between ITCan and its wholly owned subsidiary Imperial Tobacco Products Limited (ITPL), ITCan is "licenced to use ITPL's [trade-marks] in association with the manufacture and sale of tobacco products" and ITPL has "direct and indirect control of the character and quality" of such products "manufactured and sold by ITCan under

the licence”. Mr. Dacayanan attaches as Exhibit A to his affidavit a redacted copy of this licence agreement made on February 1, 2000 [para 2].

[35] Mr. Dacayanan asserts that pursuant to this licence, ITCan “has manufactured or has had manufactured VOGUE brand cigarettes, including the VOGUE Superslims family of cigarettes sold in Canada since at least as early as August 2011”. He asserts that the VOGUE Superslims family of cigarettes is marketed and sold in Canada by ITCan via its distributor Imperial Tobacco Company Limited (ITCL) to cigarette retailers, and sometimes through wholesalers [para 3].

[36] As an aside here, despite the fact that the license agreement referred to above under Exhibit A was not amended to expressly include the applied-for Mark launched in August 2011, I am prepared to accept that the Applicant has had, at all times, the requisite control over the character and quality of the goods sold in association with the applied-for Mark in accordance with the provisions of section 50 of the Act. As it will become apparent, the Mark has never appeared alone on the cigarettes packs but always in combination with the VOGUE trade-mark. The license agreement expressly includes terms that compel the licensee to manufacture, label and package the goods bearing the VOGUE trade-mark strictly in accordance with the licensor’s specifications and standards, to submit production materials used in the manufacture of the relevant goods to the licensor for approval, to submit samples of final products to the licensor for approval, etc. For example, section 5.3 of the license agreement expressly provides that:

Before advertising, promoting or marketing the Products, the Licensee shall submit to the Licensor details of its proposals including samples of any Associated Products and examples of any advertising and promotional material to be used and the Licensor shall have the absolute right to prohibit the use of all or any part of such material which does not meet with its approval.

[37] In this regard, Mr. Dacayanan confirmed in his cross-examination that before any production materials, including tobaccos, casing, flavourings, are launched to market, it must be approved by the vice president marketing of ITCan and ITPL (a single person serves both roles). As well, ITCan has monthly product drive meetings in which the vice president marketing of ITCan who is also the president of ITPL continually sits to ensure that on a monthly basis the quality of all products continue to meet agreed-upon standards [Cross-examination transcript,

pp. 45-48, Qs. 88-98]. I further accept the Applicant's submission made at the hearing that the Applicant may have elected to wait for the Mark to mature to registration before amending the license agreement.

[38] To conclude on this point, I will not make any negative inference from the fact that the Mark was not expressly identified in the license agreement.

[39] Reverting to Mr. Dacayanan's affidavit, Mr. Dacayanan asserts that the VOGUE Superslims family of cigarettes was launched by ITCan in August 2011, along with a marketing campaign that "included a new colour palette which focused on the colour purple." He asserts that "as part of this campaign was the launch of the VOGUE Superslims cigarettes which are sold in a purple package (hereinafter the 'PURPLE PACKAGE')" [paras 4 and 5]. As Mr. Dacayanan thereafter refers throughout his affidavit to this product as the "PURPLE PACKAGE", I will do the same while reviewing his affidavit.

[40] In support, Mr. Dacayanan provides the following exhibits to his affidavit:

- Exhibit B: Photographs of packages of VOGUE Superslims cigarettes sold in the PURPLE PACKAGE in Canada [para 4].
- Exhibit B.1: VOGUE Superslims cigarettes sold in Canada in the PURPLE PACKAGE from August 2011 until March 2012 [para 4].
- Exhibit B.2: VOGUE Superslims cigarettes sold in Canada in the PURPLE PACKAGE from March 2012 until the date of swearing his affidavit [para 4].

[41] Mr. Dacayanan further explains that the VOGUE Superslims cigarettes sold in the PURPLE PACKAGE are part of the VOGUE Superslims family, which also includes a "variant" sold in a blue pack as well as a variant sold in a green pack [para 6].

[42] Mr. Dacayanan asserts that "the colour purple for the VOGUE Superslims cigarettes sold in the PURPLE PACKAGE, and the use of the colour purple for promoting the VOGUE Superslims family of cigarettes, was used by ITPL and ITCan because it was considered to be highly distinctive, memorable, and eye-catching" and also because it "was not being used for the packaging of cigarettes by any other manufacturer, importer, or distributor of cigarettes in

Canada at the time that the VOGUE Superslims cigarettes sold in the PURPLE PACKAGE were launched in August 2011” [para 7].

[43] Mr. Dacayanan then turns to the sales of the VOGUE Superslims cigarettes in the PURPLE PACKAGE. He asserts that between August 2011 and the filing dates of the present statements of oppositions, ITCan “sold in excess of 980,000 packs of VOGUE Superslims cigarettes in the PURPLE PACKAGE to cigarettes retailers, distributors, and wholesalers in Canada, representing sales in excess of \$4,800,000CAD” [para 8]. The table below sets out the yearly breakdown of the number of packs, and total sales amount of VOGUE Superslims cigarettes in the PURPLE PACKAGE in Canada between August 2011 and November 2014 [para 9].

Year	Packs of Cigarettes (in excess of)	Sales Amount (in excess of)
2011	180,000	\$875,000
2012	615,000	\$3,000,000
2013	690,000	\$3,400,000
2014 (YTD ending November)	675,000	\$3,500,000
TOTAL	2,150,000	\$10,775,000

[44] Mr. Dacayanan attaches as Exhibit C to his affidavit “copies of representative invoices of sales of VOGUE Superslims cigarettes in the PURPLE PACKAGE to various cigarette retailers in Canada” [para 10].

[45] In the last part of his affidavit, Mr. Dacayanan turns to the permitted promotion of VOGUE Superslims cigarettes in the PURPLE PACKAGE. He asserts that from August 2011 to May 23, 2013, ITCan has spent “in excess of one million dollars (\$1,000,000CAD)” marketing the VOGUE Superslims family of cigarettes, including the VOGUE Superslims cigarettes in the PURPLE PACKAGE, to retailers and adult smokers in Canada, using materials “that focus on the colour purple” [para 11].

[46] Mr. Dacayanan asserts that “as part of [ITCan’s] efforts to communicate the availability of the VOGUE Superslims family of cigarettes to adult smokers, ITCan used a variety of communication materials” which displayed the colour purple “as is used on the PURPLE

PACKAGE” [para 12]. In support, Mr. Dacayanan provides the following exhibits to his affidavit:

- Exhibit D: Examples of posters used by ITCan as part of the VOGUE Superslims marketing campaign from 2011-2012. Mr. Dacayanan asserts that “such posters were displayed in over one hundred (100) locations in Canada” from October to December 2011 and from January to March 2012 [para 12].
- Exhibit E: Examples of trade communications distributed by ITCan in 2011-2012 to retailers and wholesalers in Canada, namely examples of backroom posters [Exhibit E.1] and examples of scan sheets displayed only to retailers/wholesaler employees [Exhibit E.2] . Mr. Dacayanan asserts that ITCan distributed trade communications featuring the PURPLE PACKAGE to over 8,500 of its retailers in Canada in 2011 and to almost 5,000 more in 2012 [paras 12 and 13].

The Duchesneau affidavit

[47] Mr. Duchesneau 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.

The Owens affidavit

[48] Ms. Owens attaches as Exhibit A to her affidavit details of the following 10 trade-mark registrations for colour marks for various products owned by third parties which she printed from the CDName Search Corp system on June 1, 2015:

Trade-mark	Registration No.
BLUE “COLOUR” DESIGN	TMA522,834
BLUE (COLOUR) LOGO	535,786
COLOUR – YELLOW	604,888
Colour Mark (GREEN)	604,887
COLOUR ORANGE DESIGN	616,900
GREEN COLOUR LOGO	777,260
ORANGE DESIGN	576,619
Package Design	679,037
PINK (COLOUR)	574,625

YELLOW COLOUR	733,458
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ANALYSIS

Section 30 grounds of opposition

[49] The Opponent has pleaded multiple grounds of opposition under section 30 of the Act, many of which are redundant or overlap with one another. The material date to assess all of these grounds is the filing date of the applications [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

[50] As set out in the *226 Decision, supra*, at paragraph 30, the legal burden on the Applicant to show that each of its applications complies with section 30 includes both the question as to whether or not the Applicant has filed applications which comply with the formal requirements of the content of a trade-mark application and the question as to whether or not the statements contained in the applications are correct.

[51] Before assessing in more detail some of the section 30 grounds pleaded by the Opponent, I wish to summarize below a few general principles governing the registration of colour marks that have guided me in the present cases.

General principles governing the registration of colour marks

[52] According to the case law and CIPO's position, it is possible to register a colour (or a combination of colours) applied to a particular item either as an "ordinary" trade-mark or as a "distinguishing guise" (in which colour forms an integral part of the mode of wrapping or packaging of the goods) [*Smith, Kline & French v Registrar*, [1987] 2 FC 633; *Simpson Strong-Tie Co v Peak Innovations Inc* [2007] TMOB No. 175, aff'd 2009 FC 1200, aff'd 2010 FCA 277; *ORANGE Decisions, supra*; and *Practice Notice on Three Dimensional Marks*]. The distinction between colour functioning as an ordinary trade-mark and not just a distinguishing guise is important as it impacts the examination stage of the application (per section 13(1) of the Act, an applicant is requested to provide evidence establishing that the distinguishing guise had already become distinctive at the time of the application for registration, whereas no equivalent provision applies to a colour mark as an ordinary trade-mark, which is not examined for distinctiveness –

rather, a third party has to take steps to oppose such an application in order to challenge its distinctiveness during the registration process) and depends on how colour is claimed in the description of the mark in the application.

[53] Section 28 of the Trade-mark Regulations (the Regulations) provides that where the applicant claims a colour as a feature of the trade-mark, that the colour be described and that such description be clear. Where the description is not clear, the Registrar may require the applicant to file a drawing lined for colour in accordance with a colour chart. There is no requirement in the Act or the Regulations that the applicant specifically reference the shade or hue of the color claimed [*Novopharm Ltd v Pfizer Products Inc*, 2009 CarswellNat 4119 (TMOB) at para 23; *226 Decision, supra*, at para 46].

[54] Likewise, section 30(h) of the Act provides that the application shall contain "...a drawing of the trade-mark and such number of accurate representations of the trade-mark as may be prescribed." The drawing must be a meaningful representation of the trade-mark in the context of the written description appearing in the application and must enable the determination of the limits of the trade-mark; the rationale behind these requirements is that a trade-mark registration is a monopoly and must therefore, be precise in terms of its scope [*Apotex Inc v Monsanto Searle Canada Inc* (2000), 6 CPR (4th) 26 (FCTD) at para 7; and *Novopharm Ltd v Astra Aktiebolag* (2000), 6 CPR (4th) 16 (FCTD)]. There is no requirement for the applicant to restrict the trade-mark claimed to a specific size, so long as the goods are adequately described and defined [*Simpson Strong-Tie, supra*, at p. 57; *226 Decision, supra*, at paras 36-37; *Apotex Inc v Searle Canada Inc, supra*].

[55] A colour that is primarily functional from either an ornamental or a utilitarian point of view is not registrable [*Procter & Gamble Inc v Colgate-Palmolive Canada Inc* (2007), 60 CPR (4th) 62 (TMOB), aff'd 81 CPR (4th) 343 (FC) at para 53; *Practice Notice on Three-dimensional Marks*].

[56] Applying these principles to the present cases, I propose to address the section 30 grounds of opposition pleaded by the Opponent under two main themes, namely (i) whether or not the Applicant has filed applications which comply with the formal requirements of the

content of a trade-mark application; and (ii) whether or not the statements contained in the applications are correct.

Do the applications comply with the formal requirements of the content of a trade-mark application?

[57] As per the details reproduced in Schedules A and B, the Opponent has pleaded at paragraph 1 of its statement of opposition that the applications do not formally comply with the requirements of section 30(h) of the Act for a number of “technical” reasons relating to both the description and the drawing *per se* of the Mark.

[58] For the reasons that follow, I find that the applications do comply with the formal requirements of section 30(h) of the Act in that the drawing and description make it clear that the applied-for Mark is not a distinguishing guise but rather is an “ordinary” trade-mark consisting of a single colour applied to the visible surface of two- and three-dimensional representations of cigarette packaging.

[59] As mentioned above, the '250 Application and '255 Application are substantively identical in terms of the manner of depiction and description of the applied-for trade-mark (other than the colour claimed and specific shape depicted) to application Nos. 1,317,128 and 1,317,127 respectively, discussed at length in the *ORANGE Decisions, supra* [see, *inter alia*, paras 32-38, and 51-59 of the *226 Decision, supra*; and paras 26-51 of the *FC 608 Decision, supra*]. I see no reason to depart from the findings made by the Registrar and the Federal Court in that those decisions.

[60] As was the case with application No. 1,317,127, the drawing and description included in the '255 Application clearly set out in dotted outline the surface of the particular package to which the colour claimed in the application is to be applied. Transposing the comments of Board Member Folz at paragraph 37 of the *226 Decision, supra*, to the present case, the Applicant is not claiming the cigarette packaging as its trade-mark but employing the appearance of part of what I consider to be a standard rectangular shaped cigarette package to show that it is limiting the scope of its claim to the colour purple to one panel of the packaging. In other words, and as stressed by the Applicant, the mere reference to the word “packaging” in the application does not

transform the present application from an ordinary trade-mark application into one for a distinguishing guise. The drawing of the Mark is also in compliance with the *Practice Notice on Three-Dimensional Marks* which states that “where an application is for a two-dimensional mark, the drawing of the mark should show the mark in isolation and should not show the mark as applied to a three-dimensional object.” Further, as indicated above, there is no requirement for the Applicant to restrict the applied-for Mark to a specific size.

[61] Transposing the comments of Board Member Folz at paragraph 38 of the *226 Decision, supra*, the same reasoning applies with respect to the '250 Application, with the main exception being that, as a three-dimensional mark, the drawing and description clearly show that the colour purple is applied to the front, back and side of the cigarette packaging that has width, height and depth as opposed to the applied-for mark in the '255 Application which applies to only one panel of the packaging which is two-dimensional. The Applicant does not seek to protect the shape of the cigarette packaging but rather seeks to protect the application of the colour purple as applied to that cigarette packaging. The drawing and description for the Mark in the '255 Application are also in compliance with the *Practice Notice on Three-Dimensional Marks* which requires that an application for a three-dimensional mark include a description of the mark that makes it clear that the mark applied for is a three-dimensional mark. The description “...the trade-mark consists of colour [...] applied to the visible surface of the particular packaging as shown in the attached drawing”, with a three dimensional drawing showing the relative width, height and depth of the packaging, does so. In fact, this description essentially matches the one provided in the practice notice as an “example of an acceptable description” of a trade-mark “that [is] not [a] distinguishing guis[e], that [is] not two dimensional and that consist[s] of or include[s] one or more colours applied to the surface of a three-dimensional object”, namely: “The trademark consists of the colour purple applied to the whole of the visible surface of the particular tablet shown in the drawing.”

[62] Furthermore, a parallel can be made between the present applications and the various third party registrations for ordinary trade-marks having an identical structure to that of the applied-for Mark introduced into evidence by the Owens affidavit. I agree with the Applicant that such evidence is persuasive evidence in that it would be fundamentally inequitable to the Applicant to hold that the Mark is not properly depicted as a trade-mark [*Rothmans, Benson &*

Hedges Inc v RJ Reynolds Tobacco Co (1993), 47 CPR (3d) 439 at 442-443(FCTD);
FC 608 Decision, supra, at para 37].

[63] In view of all the foregoing, the grounds of opposition set out in paragraphs 1.4, 1.7 and 1.8 of the statement of opposition filed in respect of the '250 Application and the grounds of opposition set out in paragraphs 1.3, 1.6, and 1.7 of the statement of opposition filed in respect of the '255 Application are dismissed.

Are the statements contained in the applications correct?

[64] As per the details reproduced in Schedules A and B, the Opponent has pleaded at paragraph 1 of its statement of opposition that the applications do not comply with the requirements of section 30(b) of the Act in that the applied-for Mark has not been used in Canada as claimed in the applications for a number of reasons.

[65] To the extent that the relevant facts pertaining to a ground of opposition based on section 30(b) of the Act are more readily available to the Applicant, the evidential burden on the Opponent with respect to such a ground of opposition is less onerous [see *Tune Master v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. Furthermore, this burden can be met by reference not only to the Opponent's evidence but also to the Applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216]. However, the Opponent may only successfully rely upon the Applicant's evidence to meet its initial burden if the Opponent shows that the Applicant's evidence puts into issue the claims set forth in the Applicant's applications [see *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd* 2014 FC 323 at paras 30-38 (CanLII)].

[66] In the present cases, the Opponent relies on both its evidence introduced through the Goudreau and Shannon affidavits, and the Applicant's evidence introduced to the Dacayanan affidavit in support of its various pleadings that the applied-for Mark has not been used as claimed in the applications.

[67] More particularly, the Goudreau affidavit shows that the Applicant has secured various trade-mark registrations for the VOGUE word and design marks, in which the colour purple was claimed only as a "feature" of the trade-mark, and more particularly, as a "background colour"

[see, *inter alia*, registration No. TMA845,314 issued on March 5, 2013, based on use in association with tobacco products, which includes the exact same VOGUE design element (consisting of the word VOGUE in a signature style font followed by a dot design in dark purple)] displayed on a purple background, as reproduced in the Applicant's VOGUE Superslims exhibited packaging attached to both the Shannon and Dacayanan affidavits.

[68] The photocopies representing the Applicant's VOGUE superslims cigarette packaging attached as Exhibit E to the Shannon affidavit further show that other markings and indicia such as health warnings appear on the Applicant's VOGUE Superslims cigarettes packages.

[69] The Opponent also relies on the marketing materials exhibits attached as Exhibits D, E.1, and E.2 to the Dacayanan affidavit, to further support its pleadings that the applied-for Mark is solely functional or ornamental and decorative only rather than an indicator of source, and has not been used continuously since the date claimed in the applications as required by section 30(b) of the Act.

[70] Addressing first the ground of opposition set out in paragraph 1.3 of the statement of opposition filed in respect of the '250 Application that the colour purple has actually occupied only fractional parts of various panels of the VOGUE Superslims cigarette packaging due to the presence of mandatory health warnings that cover a percentage of such cigarette packaging, this does not render the use statements contained in the Applicant's applications incorrect.

[71] The tobacco industry does not operate in isolation but is highly regulated. The present applications cover "the colour purple applied to the *visible* surface of the particular packaging as shown in the [accompanying] drawing" [my emphasis]. That *visible* surface corresponds in fact to the entire surface of the package *permissible by law* as evidenced by the Dacayanan affidavit, which demonstrates that the Applicant has applied the colour purple as claimed to the entire surface of the package that it has been permitted by law to brand. By referring to the visible surface of the packaging rather than the entire surface thereof, the description of the Mark takes into account the fact that parts of the packaging may be blocked out or covered by evolving mandatory health warnings that preclude the application of the claimed colour to the entire surface of the packaging. Furthermore, as noted by the Federal Court of Appeal in the *III Decision, supra*, consumers will understand that health warnings on a cigarette package are

not part of the trade-mark. This brings me to turn to the other markings and indicia of source appearing on the Applicant's cigarette packaging in light of the arguments raised at the hearing in support of the grounds of opposition set out in paragraphs 1.5 and 1.4 of the statements of opposition filed in respect of the '250 Application and '255 Application respectively.

[72] There is no dispute that the Mark has never appeared alone on the cigarette packs but always in combination with the VOGUE word and design marks.

[73] As reminded by the Applicant, it is well established that multiple trade-marks may be used together on the same product [*AW Allen Ltd v Warner Lambert Canada Inc* (1985), 6 CPR (3d) 270 at 272 (FCTD)]. However, whether the use of any alleged trade-mark in combination with other matter constitutes use as a trade-mark is a question of fact: use of any alleged trade-mark in combination with other matter only constitutes use as a trade-mark if the public, as a matter of first impression, perceives the alleged trade-mark as being used as a trade-mark [*Nightingale Interloc v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB) at paras 7-8].

[74] In this regard, I cannot but agree with the Applicant that some parallels can be made between the present cases and the *ORANGE Decisions* wherein Board Member Folz noted that the Applicant's cigarette packages also showed the use of other markings and indicia of source appearing on the ORANGE PACKAGE DESIGN, namely the marks PETER JACKSON and the unicorn design. In its appeal before the Federal Court of Appeal, the Opponent had argued, as in the present cases, that Member Folz failed to properly consider and refer to the principles enunciated in *Nightingale, supra*, in her assessment of the section 30 grounds of opposition pleaded by the Opponent. In dismissing the appeal, the Court found that on a fair reading of Member Folz's reasons, it was clear that she turned her mind to these issues and addressed them in substance at paragraphs 42 and 46 of her reasons, reproduced below:

42. Again, no arguments have been put forth by the Opponent in support of this ground [section 30(b) of the Act]. In any case, having had regard to the evidence as filed, I note that there is nothing in the Applicant's evidence that is clearly inconsistent with its claimed date of first use. As shown in the evidence of Mr. Bussey, between April 2006 and August 14, 2007, ITCan sold approximately 9-11 million packs of Peter Jackson "Smooth Flavour" cigarettes in association with the Marks to cigarette retailers, distributors and wholesalers in Canada, representing sales in excess of \$34 million Canadian. The evidence also shows that the Applicant has provided notification to the

public of its claim that the colour orange is its trade-mark. In this regard, the Applicant engaged in an extensive marketing campaign to communicate the availability of the Peter Jackson Smooth Flavour cigarettes to both cigarette retailers and adult smokers in Canada focusing on the colour orange and highlighting the orange package design (Bussey, paras. 9-11; Exhibit C and D). Further, the Applicant's evidence shows the colour orange as applied to the front, back and sides of its cigarette packages. The fact that the Applicant's cigarette packages must also contain a health warning that covers 50% of the principal face of the package of cigarettes does not, in my view, affect the Mark's ability to distinguish the Applicant's wares from those of others. On a related note, while the Applicant's cigarette packages may also show the use of the marks PETER JACKSON and the unicorn design, it is well established that multiple trade-marks may be used together on the same product [see *AW Allen Ltd. v. Warner Lambert Canada Inc.* (1985), 6 CPR (3d) 270 at 272 (FCTD) (*AW Allen*)]. Finally, as the bans on retail displays of tobacco products were not in place throughout Canada as of the material date for this ground, the Mark was visible to the consumer prior to the time of transfer of the goods. I note that even if the Mark had not been visible to the consumer prior to the time of transfer, it still would have been visible to the consumer when the consumer purchased the cigarette wares (i.e. at the time of transfer).

[...]

46. First, I note that no evidence has been adduced by the Opponent to support the allegations set forth in its statement of opposition that the Mark is ornamental in nature [*Dot Plastics Ltd. v. Gravenhurst Plastic Ltd.* (1988), 22 CPR (3d) 228 (T.M.O.B.) and *Procter & Gamble Inc. v Colgate-Palmolive Canada Inc.* (2007), 60 CPR (4th) 62 (TMOB); *aff'd* 2010 FC 231 (CanLII), 81 CPR (4th) 343 (FC)]. Further, I note that there is no requirement in the Act or the Trade-mark Regulations that the Applicant specifically reference the shade or hue of the claimed colour orange [*Novopharm Ltd. v. Pfizer Products Inc.* 2009 CarswellNat 4119 (TMOB) at para 23; Section 28 of the Trade-mark Regulations], nor the specific dimensions of the size or shape of the trade-mark [see *Simpson Strong-Tie*, *supra*]. Finally, in view that there is nothing to prevent the Applicant from using more than one mark at the same time [*AW Allens*, *supra*], the fact that the Applicant uses other trade-marks in association with its cigarette wares does not, in my view, support the argument that the Mark is not associated with the wares at the time of transfer.

[75] The Court found that Member Folz referred to relevant evidence submitted by the Applicant "and in particular how it had notified the public that the colour orange was used as its trade-mark", and that she "was satisfied that the public would perceive the applied-for marks per se as trade-marks and that the evidence demonstrated use of those trade-marks per se by the [Applicant]". The Court further found that Member Folz also noted that the Opponent had adduced no evidence to support its allegation that the marks were merely ornamental. As a result, the Court was not persuaded that the Registrar's decision was unreasonable.

[76] This brings me to turn to how the Applicant has “notified the public” that the colour purple was used as its trade-mark as opposed to being merely functional or ornamental as pleaded in paragraphs 1.6 and 1.5 of the statements of opposition filed in respect of the '250 Application and '255 Application respectively, in light of some of the arguments put forward by the parties.

[77] First, I note that the mere fact that the Applicant may have been the first to use the colour purple on cigarette packaging does not itself imply that it has led to a distinct brand identity and the public recognition of the PURPLE PACKAGE DESIGN as a trade-mark in and of itself. Indeed, in *Royal Doulton Tableware Ltd v Cassidy's Ltd* (1986), 1 CPR (3d) 214 (FCTD), the Federal Court explains that a trade-mark may be recognized as unique but not be distinctive:

It is to be noted that a distinctive trade mark is one which links, e.g., goods with a vendor so as to distinguish them from the goods of other vendors. It is not distinctive if it simply distinguishes one design of goods from another design of goods even though if one had special trade knowledge one might know that these two kinds of goods are sold respectively by two different vendors. Such a concept of distinctiveness would run counter to a basic purpose of the trade mark which is to assure the purchaser that the goods have come from a particular source in which he has confidence. See Fox, *Canadian Law of Trade Marks and Unfair Competition* (3rd ed., 1972) at pp. 25-26

[78] Furthermore, while the Applicant contends that it engaged in an extensive marketing campaign to communicate the availability of the VOGUE Superslims cigarettes to both cigarette retailers and adult smokers in Canada focusing on the colour purple and highlighting the PURPLE PACKAGE DESIGN, a review of the marketing materials exhibits attached to the Dacayanan affidavit reveals, in my view, a different reality.

[79] Indeed, as per the example of scan sheet attached as Exhibit E.2 to the Dacayanan affidavit reproduced at Schedule C to my decision, the “purple” VOGUE Superslims cigarette packaging is featured side-by-side with the “blue” and “green” variants of the Applicant’s VOGUE Superslims cigarettes, along with a brief description of their associated flavours or “strength” (the blue packaging corresponding to “a full yet refined taste”; the purple packaging to “a subtle yet satisfying taste”, and the “green” one to “a full taste with crisp menthol flavor”). As per the legend at the bottom of the sheet, the phrase “ONE OF A KIND*” refers to the “unique curved pack structure” of all three cigarette packages of the VOGUE

Superslims family of cigarettes, rather than highlighting the PURPLE PACKAGE DESIGN *per se*. Furthermore, it is difficult to conceive how the faded coloured image of building facades in the upper right portion of the sheet could be perceived otherwise than merely as an aesthetic background.

[80] Likewise, the backroom poster attached as Exhibit E.1 to the Dacayanan affidavit also reproduced hereto at Schedule C, which displays the partial image of a woman whispering the message “I can’t tell you... Yet I can hardly wait”, merely announces that “A dazzling change is coming soon from Vogue Superslims”. Not only is the PURPLE PACKAGE DESIGN not reproduced on the poster, it is also not even alluded to.

[81] Finally, the examples of posters attached as Exhibit D to the Dacayanan affidavit, an example of which is also reproduced hereto at Schedule C, all focus on the pack structure of the packaging of the VOGUE Superslims family of cigarettes. The “purple” VOGUE Superslims cigarette packaging is, here again, displayed together with the “blue” and “green” variants of the Applicant’s VOGUE Superslims cigarettes. While dark shades of the colour purple appear in background, it is difficult to conceive how such colour gradient could be perceived otherwise than merely as an aesthetic background, especially in view of the fact that the ad does not pertain only to the “purple” variant of the VOGUE Superslims cigarettes, let alone the PURPLE PACKAGE DESIGN in and of itself.

[82] In this regard, I note that the Applicant, both in its written argument and at the hearing, insisted on the fact that one of the reasons why the colour purple was selected by the Applicant is because it would have allegedly never been used before contrary to “conventional cigarette package colours such as green and blue” that “had been use before”/ “have been around forever”. However, as the very same “get-up” (except for the colour applied to the cigarette packaging) has been used by the Applicant for all three cigarette packaging products/variants comprising the VOGUE Superslims family, I fail to understand on what basis the public would have considered or perceived the colour purple applied to the packaging of the “subtle taste” variant as a trade-mark in and of itself (i.e. indicator of source), while at the same time treating differently the colours “blue” and “green” applied to the packaging of the “full taste” and “menthol taste” variants respectively of the VOGUE Superslims family of cigarettes.

[83] Thus, I find the evidence is far from establishing that the Applicant has provided notification to the public of its claim that the colour purple as applied to the packaging of one of the variants of the VOGUE Superslims family of cigarettes is its trade-mark. To the contrary, the fact that the “purple” VOGUE Superslims packaging has always been featured side-by-side with the “green” and “blue” variants of the VOGUE Superslims family of cigarettes in the Applicant’s advertising and promotional materials gives the impression that the Applicant’s use and adoption of the colour purple was not for trade-mark purposes, but rather for differentiating between flavours or “strengths” of the same type of cigarette product.

[84] In this regard, I acknowledge that the Trial Division of the Federal Court held in *Santana Jeans Ltd v Manager Clothing Inc* (1993), 52 CPR (3d) 472, that some degree of ornamentation does not preclude registrability when the trade-mark in issue also has distinctive features. However, for the reasons set out above, I find the evidence led in the present cases does not support the position that the colour purple served a dual purpose here, namely operating both as a trade-mark in and of itself, and serving as an aesthetics background colour distinguishing between the various product lines of the VOGUE Superslims family of cigarettes. To the contrary, I find the Applicant’s evidence seriously and directly puts into issue the correctness of the claims set forth in the Applicant’s applications. Therefore, I am not satisfied that the Applicant has established, on a balance of probabilities, that it had used the PURPLE PACKAGE DESIGN as a trade-mark since the claimed date of first use, as of the filing date of both of its applications, and the grounds of opposition set out in paragraph 1.6 of the statement of opposition filed in respect of the '250 Application and the ground of opposition set out in paragraph 1.5 of the '255 Application succeed.

[85] If I am wrong in assessing the functionality and ornamental nature of the Mark in light of the evidence of use of record, rather than considering the Mark as applied for “*in abstracto*”, or else, if the colour purple could in fact serve a dual basis here, I would still find that the Applicant’s evidence seriously and directly puts into issue the correctness of the claims set forth in the Applicant’s applications, specifically that the applied-for Mark has not been in continuous use as claimed in the applications because the trade-mark as used differs from the trade-mark applied-for, for the following reasons.

[86] As per my review above of Exhibits D and E attached to the Dacayanan affidavit, there is no such thing as a purple family of VOGUE Superslims cigarettes. What the evidence shows here is the existence of a VOGUE Superslims family of cigarettes varying in strength or flavour, that comes in three colours, and sharing a unique curved pack structure. At best for the Applicant, I find that the colour purple could be perceived simply as a background colour that is part of a composite trade-mark comprising the VOGUE word and design marks. In this regard, upon my reading of the *ORANGE Decisions*, I find the facts of the present cases can seemingly be distinguished from those in the *ORANGE Decisions* where the Registrar was satisfied, by reason of the Applicant's extensive marketing campaign focusing on the colour orange and highlighting the orange package design *per se*, that the public would have perceived the orange package design *per se* as the trade-mark being used, despite being also used in combination with the marks PETER JACKSON and the unicorn design.

[87] In view of the foregoing, I am not satisfied that the Applicant has established, on a balance of probabilities, that the PURPLE PACKAGE DESIGN had been used, and much the less been in continuous use, as a trade-mark, as of the filing date of both of its applications, as claimed, and the ground of opposition set out in paragraph 1.5 of the statement of opposition filed in respect of the '250 Application and the ground of opposition set out in paragraph 1.4 of the '255 Application succeed.

Remaining grounds of opposition

[88] Although I have already found the Opponent successful with respect to two grounds of opposition relating to section 30(b) of the Act, I wish to discuss one more ground of opposition, namely the non-distinctiveness ground of opposition set out in paragraph 3.4 of the statement of opposition in both cases, reproduced in Schedule A, relating to the Opponent's and other third party use of similar goods sold in different purple coloured packages.

Non-distinctiveness ground of opposition set out in paragraph 3.4

[89] The question here is whether or not the Mark is distinctive of the Applicant's Goods or adapted to distinguish them from those of the Opponent or those of other tobacco traders whose products are sold in purple colored packages.

[90] 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. June 10, 2013 with respect of the '250 Application, and May 27, 2013 with respect of the '255 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)].

[91] As set out in the *117 Decision, supra*, at paragraph 38, the Opponent must show that the colour purple had been used on the packaging of tobacco products by the Opponent and/or third parties to such an extent that this would negate the distinctiveness of the Mark as of the applicable material date [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD) at 58]. In other words, the Opponent has to show that purple packages were common to the tobacco trade as of the material date [*Novopharm v Astra Aktiebolag* (2004), 36 CPR (4th) 158 at 174 (TMOB)].

[92] As outlined in the overview of the evidence above, the Opponent has submitted through the Shannon and Sue affidavits evidence regarding 14 third party tobacco products sold in Canada, displaying various shades of the colour purple on their packaging (12 are flavoured tobacco goods, one is a flavourless cigar product and the last, is the Opponent's own brand of cigarettes - MS SUPER SLIMS - also sold in a purple pack).

[93] Considering first the evidence of use of the Opponent's MS SUPER SLIMS cigarettes introduced through the Shannon affidavit, I note that the September 2012 product launch under this brand included both "smooth flavour" cigarettes (sold in purple packaging) and "menthol flavour" cigarettes (sold in green packaging). While most of the Opponent's relevant evidence fits within the relevant dates, I note that none of the sales or advertising data provided contains a breakdown or any specific figures for purple packaged "smooth flavour" cigarettes alone. Rather, the information always appears in combination with that concerning green packaged "menthol

flavour” cigarettes. Given the lack of purple packaging specific details, I cannot but agree with the Applicant that it is impossible to determine the extent to which consumers had become accustomed to seeing the Opponent’s purple packaging in Canada prior to the relevant dates. I therefore will not consider this evidence as relevant to the issue of distinctiveness.

[94] This brings me to turn to the evidence of third party use of tobacco products sold in purple colored packages introduced through the Sue affidavit.

[95] As indicated above, the Applicant has objected to the Sue affidavit on the basis that it comprises hearsay. More specifically, the Applicant points out that Mr. Sue admitted on cross-examination that he did not know by whom, where or when the products shown in each of Exhibits RS-1 to RS-13 were purchased, that he had never seen the products advertised in Canada or displayed at the retail level in Canada, and that he does not know how the products would have been displayed at the retail level in the 2012 time frame. The Applicant also submits that the Sue affidavit regarding the QUORUM Little Q cigars product constitutes hearsay as “the person(s) responsible for (a) compiling the data and (b) providing the images of the product packaging did not swear an affidavit in this proceeding.”

[96] While I might have been prepared to accept that the Sales Data provided by Mr. Sue satisfies the criteria of necessity and reliability, I find this is not the case for the photocopies of the specimens of packaging attached under Exhibits RS-1 to RS-13 to his affidavit. In this regard, I acknowledge that Mr. Sue confirmed in re-examination that it is not part of his job description to receive or review or analyze any of the Opponent’s competitors’ packaging and products and advertising. However, Mr. Sue also confirmed in his cross-examination that the Database he consulted in the preparation of his affidavit does not include images of the products described therein. I cannot but agree with the Applicant that the fact that Mr. Sue does not know how the products described in his affidavit would have been displayed at the retail level as of the relevant dates raises questions about the reliability of his testimony. I therefore consider this evidence to be inadmissible hearsay evidence.

[97] In view of the above, I am not satisfied that the Opponent has met its evidential burden under section 38(2)(d) of the Act. The ground of opposition set out in paragraph 3.4 of the statement of opposition is accordingly dismissed in both cases.

[98] I would like to add though that had the Opponent requested and obtained leave to file additional evidence to remedy this issue, I would have found the non-distinctiveness ground of opposition successful for the following reasons.

[99] The evidence introduced through the Sue affidavit relates to tobacco products other than cigarettes sold in various purple shaded packages, namely: cigars, cigarillos and smokeless tobacco. As set out in the *ORANGE Decisions, supra*, cigarettes, cigars, cigarillos, and tobacco 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 would have thus considered the evidence of the non-cigarette products to be relevant to this ground.

[100] As mentioned above, all but one of these tobacco products' packaging bear flavour indications, more specifically: grape, berry, raspberry, wine and honey berry. In relying on the *ORANGE Decisions*, 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". In support of this contention, the Applicant more specifically refers to the *FC 608 Decision, supra*, 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.]

[101] I note that this excerpt from the *FC 608 Decision* reverts to the comments of Board Member Folz in the *116 Decision, supra*, at paragraph 48 and in the *117 Decision, supra*, 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.

[102] 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.

[103] 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].

[104] 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.

[105] In the present cases, while the *Canadian Oxford Dictionaries'* definitions of the terms "raspberry" and "wine" indicate that they can also serve as colour designations, I cannot help but notice a difference regarding the terms "grape", "berry" and "honey berry". 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 colours "raspberry" (defined as "a deep reddish-pink colour" and as "the red colour of a raspberry, [...] a deep red") and "wine" (defined as "short for wine red" and as "the dark red colour of red wine"), the terms "grape", "berry" and "honey berry" are not colours *per se*. Thus, while I can conceive that consumers would associate the flavour of grapes to cigars purchased in a purple pack sporting the mention "grape", I find it too far a stretch to conclude that consumers would also view such product packaging as being the colour "grape" (there being no such thing) instead of the colour purple. Put another way, whether consumers would associate the flavours of grapes with the corresponding tobacco products put into evidence does not change the fact that their respective packaging all display various shades of the colour purple. Accordingly, I agree with the Opponent that all of these third party "grape" / "berry" / "honey

berry” flavoured tobacco products displaying various shades of the colour purple on their packaging are pertinent in the context of assessing whether consumers would be accustomed to seeing tobacco products sold in purple coloured packages in the tobacco marketplace.

[106] In view of all the foregoing, I discount only two of the third party flavoured tobacco products, more specifically the raspberry-flavoured Bullseye cigars (Exhibit RS-4) and the wine-flavoured Blackstone tipped cigarillos (Exhibit RS-7), as the packaging of which may arguably be associated by consumers as the colours “raspberry” and “wine” respectively, as opposed to the colour purple.

[107] The sales data for the 11 remaining third party tobacco products in evidence displaying various shades of the colour purple on their packaging indicates that over 1,8 million packages would have been sold in Canada by retailers to consumers prior to the relevant dates for this ground of opposition. To be more precise, these include: 6,547 packages of grape-flavoured PT Blunts cigars (Exhibit RS-1); 1,533 packages of berry-flavoured and 15,443 packages of grape-flavoured Phillies cigars (Exhibits RS-2 and RS-3); 683,026 packages of grape-flavoured Bullseye cigars (Exhibit RS-5); 33,978 packages of grape-flavoured Swisher Sweets mini cigarillos (Exhibit RS-6); 217,097 packages of honey berry-flavoured and 46,631 packages of grape-flavoured Backwoods cigars (Exhibits RS-8 and RS-9); 41,412 packages of grape-flavoured Honey T cigars (Exhibit RS-10); 495 packages of Quorum Little Q cigars (Exhibit RS-11); 608,952 packages of grape-flavoured Prime Time Plus cigars (Exhibit RS-12); and 233,343 packages of berry-flavoured Skoal Long Cut smokeless tobacco (Exhibit RS-13).

[108] Thus, had I accepted the Opponent’s evidence, I would have found that it has adduced sufficient evidence establishing that purple coloured packages were common to the tobacco industry as of the material dates and would have therefore met its evidential burden. 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 of over 1,8 million packages of related tobacco goods, all arguably displaying the colour purple on their packaging, cannot be disregarded as low, but are more than sufficient, particularly when compared to the 980,000 packages of the Applicant’s cigarettes sold as of 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 would have found the distinctiveness ground of opposition set out in paragraph 3.4 of the Opponent's statement of opposition successful in both cases.

DISPOSITION

[109] 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 '250 Application

CONFORMITY ISSUES

1. The opponent bases its opposition on paragraph 38(2)(a) of the *Act*, namely that the opposed application does not comply with the requirements of section 30 of the *Act*, notably:

1.1 The applicant never used, as alleged in the opposed application, THE TRADE-MARK in association with the wares referred to in said application, the alleged date of first use is false and the applicant failed, as the case may be, to name all its predecessors in title [contrary to paragraph 30(b) of the *Act*];

1.2 The trade-mark allegedly used is not THE TRADE-MARK covered by the opposed application but another, different from the one referred to in the opposed application because the colour that appears on the packaging is not purple [contrary to paragraphs 30(b) and 30(h) of the *Act*];

1.3 The trade-mark allegedly used is not THE TRADE-MARK covered by the opposed application but another, different from the one referred to in the opposed application because the colour is not applied to the entire surface of the particular packaging [contrary to paragraphs 30(b) of the *Act*];

1.4 The trade-mark allegedly used is not THE TRADE-MARK covered by the opposed application but another, different from the one referred to in the opposed application because the mark falls within the definition of a distinguishing guise under section 2 of the *Act* [contrary to paragraphs 30(b) and 30(h) of the *Act*];

1.5 Alternatively or cumulatively, the use (which is denied) of THE TRADE-MARK in association with the wares referred to in the opposed application, has not been continuous [contrary to paragraph 30(b) of the *Act*];

1.6 THE TRADE-MARK allegedly used is not a trade-mark because it is solely functional or ornamental and decorative only rather than an indicator of source [contrary to paragraph 30(b) of the *Act*];

1.7 The drawing submitted in the application for the TRADE-MARK is not a meaningful representation of the Applicant's TRADE-MARK in the context of the written description appearing in the application. The application is confusing and ambiguous in that the scope of the trade-mark has not been accurately described. The visual surface to which colour is applied in the drawing of the particular packaging is not accurately depicted [contrary to paragraph 30(h) of the *Act*];

1.8 The application for the TRADE-MARK does not contain an accurate drawing and representation of THE TRADE-MARK in so far as the subject matter for which registration is sought is a distinguishing guise (as defined by section 2 of the *Act*) as THE TRADE-MARK claimed and described is a mode of packaging wares [contrary to paragraph 30(h) of the *Act*];

1.9 The statement that the applicant is satisfied as to its entitlement to the use of THE TRADE-MARK in Canada is false in view of the content of the present opposition, including the knowledge of the applicant that THE TRADE-MARK is not a trade-mark for the reasons outlined above. In addition, the Applicant and its related company Player's Company Inc. have adopted a modus operandi of filing trade-mark applications solely for colours, as claimed in application numbers TMO 1317127 and 1317128 (ORANGE PACKAGE DESIGN); TMO 1605729 and 1605733 (BROWN PACKAGE DESIGN); TMO 1580255; 1580250 (PURPLE PACKAGE DESIGN), in an attempt to obtain an exclusivity on their use, despite being aware that any such grant is contrary to public policy as leading to an exhaustion of the colour availability to others [contrary to paragraph 30(i) of the *Act*];

REGISTRABILITY ISSUES

2. The opponent bases its opposition on paragraph 38(2)(b) of the *Act*, namely that in view of subsection 12(1) of the *Act*, THE TRADE-MARK is not registrable since:

2.1 pursuant to section 12 of the *Act*, if THE TRADE-MARK is a mark at all, which is denied, THE TRADE-MARK is a distinguishing guise as defined in section 2 of the *Act*. Compliance with the registrability requirements of section 12 of the *Act* are subject to the provisions set out in section 13 of the *Act*. THE TRADE-MARK has not been used by the Applicant as to have become distinctive at the date of filing of the application (June 1, 2012), as required by paragraph 13(1)(a) of the *Act* as a precondition of registrability; and

2.2 any grant to the Applicant of exclusivity in the use of THE TRADE-MARK is likely to unreasonably limit the development of the industry, more particularly, the production, marketing and sale of manufactured products in Canada.

DISTINCTIVENESS ISSUES

3. The opponent bases its opposition on section 38(2) d) of the *Act*, namely that in view of section 2 of the *Act* (definition of "distinctive"), THE TRADE-MARK is not distinctive of the wares of the applicant since:

3.1 THE TRADE-MARK is not distinctive of the applicant as it does not distinguish the tobacco products in association with which THE TRADE-MARK is allegedly used by the applicant nor is adapted to so distinguish them because THE TRADE-MARK is never used in isolation but rather with other markings and indicia of source on commonly shaped packaging.

3.2 THE TRADE-MARK is used by Imperial Tobacco Company and therefore, outside the scope of the licensed use provided for by section 50 of the *Act*;

3.3 THE TRADE-MARK does not or is not adapted to distinguish the wares of the applicant from those of others, being solely functional or merely decorative/ornamental rather than an indicator of source.

3.4 THE TRADE-MARK does not or is not adapted to distinguish the tobacco products in association with which the alleged TRADE-MARK is allegedly used by the applicant (whose use is in any event denied) from the products of other tobacco traders (see table below) whose tobacco products are sold in coloured packages with similar but different shades of the alleged TRADE-MARK “colour purple” as claimed by the applicant in its application.

Brand	Tobacco traders
PT Blunts	Prime Time PT Blunts
Phillies	Altadis USA Inc
Bullseye	Casa Cubana
Swisher Sweets	Swisher International, Inc
Blackstone	Swisher International, Inc
Backwoods	Altadis USA/Altadis USA, Inc.
Honey T	Distribution GVA Inc.
Quorum Little Q	JC Newman Cigar Company
Prime Time	Casa Cubana
Skoal	National Smokeless Tobacco, Ltd
Macdonald Spéciale Macdonald Special	JTI-Macdonald Corp.
Sweet Killarney	Peterson of Dublin
Peterson Sherlock Holmes	Peterson of Dublin
Majorette M DESIGN	Distribution GVA Inc
Kwiki	Distribution GVA Inc
Axle	Lanwest Manufacturing Technologies Inc.
Sterling	Imperial Tobacco

SCHEDULE B

Excerpts from the amended statement of opposition filed in respect of the '255 Application

[Only the section 30 grounds of opposition that differ in content or numbering from those reproduced in Schedule A in respect of the '250 Application are hereinafter reproduced]

CONFORMITY ISSUES

1. The opponent bases its opposition on paragraph 38(2)(a) of the Act, namely that the opposed application does not comply with the requirements of section 30 of the Act, notably:

[...]

1.3 The trade-mark allegedly used is not THE TRADE-MARK covered by the opposed application but another, different from the one referred to in the opposed application because the mark falls within the definition of a distinguishing guise under section 2 of the Act. [contrary to paragraphs 30(b) and 30(h) of the Act];

1.4 Alternatively or cumulatively, the use (which is denied) of THE TRADE-MARK in association with the wares referred to in the opposed application, has not been continuous [contrary to paragraph 30(b) of the Act];

1.5 THE TRADE-MARK is not a trade-mark since it is solely functional or ornamental and decorative only rather than an indicator of source [contrary to paragraph 30(b) of the Act];

1.6 The drawing submitted in the application for the TRADE-MARK is not a meaningful representation of the Applicant's TRADE-MARK in the context of the written description appearing in the application because the entire package is not displayed. The application does not contain a sufficient number of representations so as to set out all the features of THE TRADE-MARK. The application is confusing and ambiguous because it does not enable the

determination of the limits of the object to which colour is applied [contrary to paragraph 30(h) of the Act];

1.7 The application for the TRADE-MARK does not contain an accurate drawing and representation of THE TRADE-MARK in so far as the subject matter for which registration is sought is a distinguishing guise (as defined by section 2 of the Act) as THE TRADE-MARK claimed and described is a mode of packaging wares [contrary to paragraph 30(h) of the Act];

1.8 The statement that the applicant is satisfied as to its entitlement to the use of THE TRADE-MARK in Canada is false in view of the content of the present opposition, including the knowledge of the applicant that THE TRADE-MARK is not a trade-mark for the reasons outlined above. In addition, the Applicant and its related company Player's Company Inc. have adopted a modus operandi of filing trade-mark applications solely for colours, as claimed in application numbers TMO 1317127 and 1317128 (ORANGE PACKAGE DESIGN); TMO 1605729 and 1605733 (BROWN PACKAGE DESIGN); TMO 1580255; 1580250 (PURPLE PACKAGE DESIGN), in an attempt to obtain an exclusivity on their use, despite being aware that any such grant is contrary to public policy as leading to an exhaustion of the colour availability to others [contrary to paragraph 30(i) of the Act].

SCHEDULE C

Excerpt from Exhibit E.2 to the Dacayanan affidavit

ONE OF A KIND* PACK DESIGN

FORMAT Superslim
LENGTH 100's
BLEND International



(7 mg)
A FULL YET REFINED TASTE



(4 mg)
A SUBTLE YET SATISFYING TASTE



(7 mg)
A FULL TASTE WITH CRISP MENTHOL FLAVOUR

PACKS



0 593623 3



0 593613 6



0 593633 0

CARTONS



0 59300 50062 8



0 59300 50061 1



0 59300 50063 5

CASES



0 59300 12530 2



0 59300 12529 6



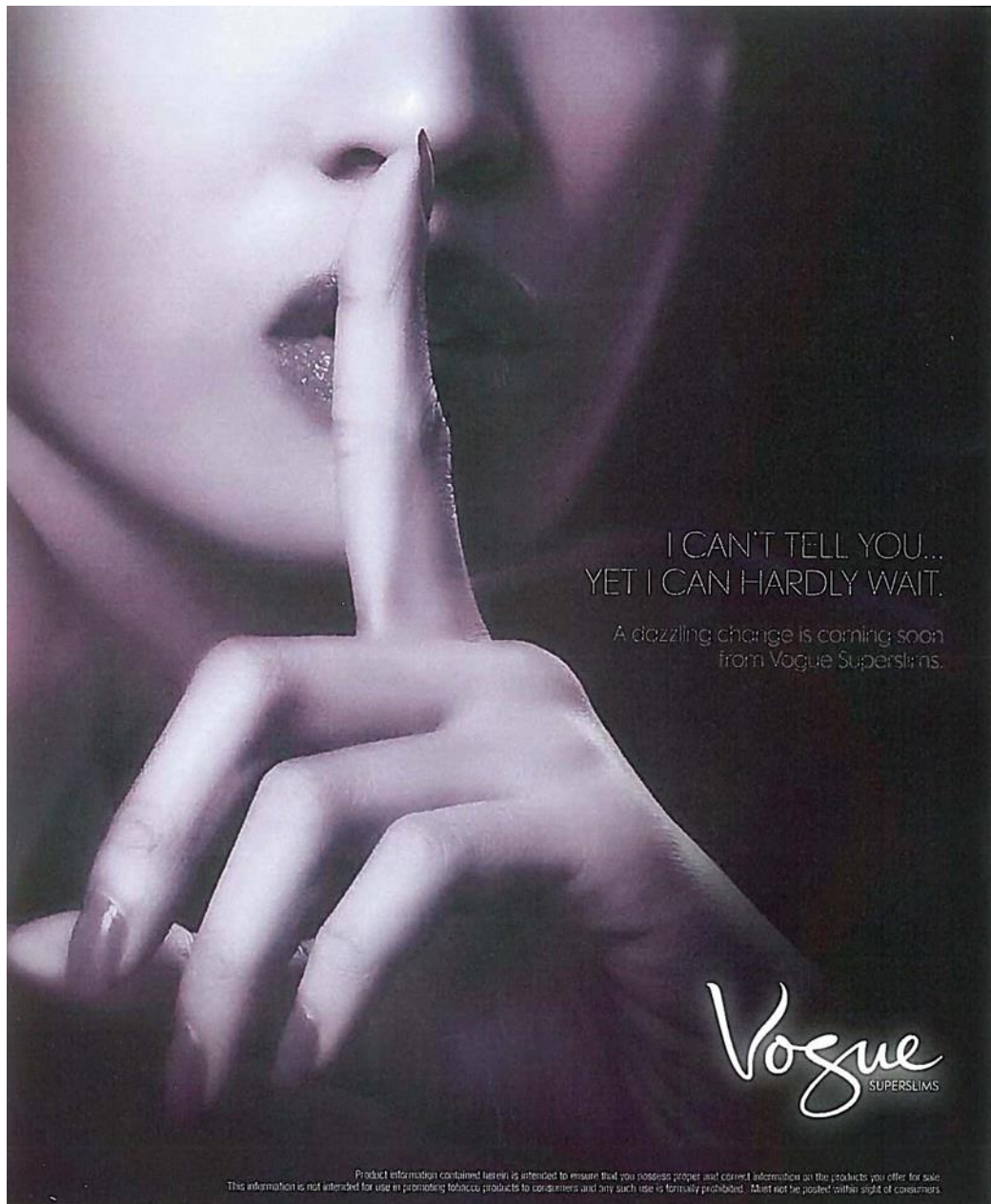
0 59300 12531 9



*Unique curved pack structure

Product information contained herein is intended to ensure that you possess proper and correct information on the products you offer for sale. This information is not intended for use in promoting tobacco products to consumers and any such use is formally prohibited. Must not be posted within sight of consumers.

Excerpt from Exhibit E.1 to the Dacayanan affidavit



I CAN'T TELL YOU...
YET I CAN HARDLY WAIT.

A dazzling change is coming soon
from Vogue SuperSlims.

Vogue
SUPERSLIMS

Product information contained herein is intended to ensure that you possess proper and correct information on the products you offer for sale. This information is not intended for use in promoting tobacco products to consumers and any such use is formally prohibited. Must not be posted within sight of consumers.

**Cigarettes are highly addictive.
La cigarette crée une très forte dépendance.**

ONE OF A KIND^{*}

PACK DESIGN



An international alternative to B&H Superlights.
Available exclusively at select retailers.

Vogue
SUPERLIGHTS

^{*}Unique curved pack structure

Cigarettes are highly addictive.

La cigarette crée une très forte dépendance.

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

HEARING DATE 2018-10-11

APPEARANCES

Stella Syrianos and Barry Gamache

FOR THE OPPONENT

Timothy Stevenson

FOR THE APPLICANT

AGENTS OF RECORD

ROBIC

FOR THE OPPONENT

SMART & BIGGAR

FOR THE APPLICANT