

Federal Court



Cour fédérale

Date: 20141218

Docket: T-2066-13

Citation: 2014 FC 1237

Ottawa, Ontario, December 18, 2014

PRESENT: The Honourable Madam Justice Bédard

BETWEEN:

PHILIP MORRIS PRODUCTS S.A.

Applicant

and

IMPERIAL TOBACCO CANADA LIMITED

Respondent

JUDGMENT AND REASONS

[1] This is an appeal pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act], from a decision of the Registrar of Trade-marks (the Registrar) on behalf of the Trade-marks Opposition Board (the Board). In its decision, the Board declined the application of Philip Morris Products S.A. (the applicant) to register the proposed trade-mark “FLIP-TOP” (the Mark) in association with tobacco and a variety of tobacco products. The Board found that the Mark was not distinctive because it describes a type of packaging commonly used for tobacco products. For the following reasons, the appeal is dismissed.

I. Background

[2] The applicant filed its application to register the Mark on September 18, 2008, for proposed use in association with: “Tobacco, raw or manufactured, including cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco and tobacco substitutes (not for medical purposes)”.

[3] The application was advertised in the Trade-marks Journal issued on July 29, 2009. The respondent filed an opposition on December 23, 2009 based on three grounds:

- a) Pursuant to paragraph 38(2)(a) of the Act, the present application does not conform to the requirements of paragraph 30(e), since the applicant does not, either by itself or through a licensee, or by itself and through a licensee, intend to use the subject of this application as a trade-mark.
- b) Pursuant to paragraphs 38(2)(b) and 12(1)(b) of the Act, the subject of the present application is not registrable, since whether depicted, written or sounded, it either clearly describes or deceptively misdescribes the fact that the applicant’s wares are sold in flip-top packaging.
- c) Pursuant to paragraph 38(2)(d) of the Act, the subject trade-mark is not distinctive, in view of the descriptive nature of the mark, and the fact that the mark will neither be used nor perceived as a trade-mark.

[4] Section 38 of the Act sets out the various grounds of opposition:

Statement of opposition	Déclaration d’opposition
38. (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.	38. (1) Toute personne peut, dans le délai de deux mois à compter de l’annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d’opposition.
Grounds	Motifs
(2) A statement of opposition	(2) Cette opposition peut être fondée sur l’un des motifs

may be based on any of the following grounds:

(a) that the application does not conform to the requirements of section 30;

(b) that the trade-mark is not registrable;

(c) that the applicant is not the person entitled to registration of the trade-mark; or

(d) that the trade-mark is not distinctive.

suivants :

a) la demande ne satisfait pas aux exigences de l'article 30;

b) la marque de commerce n'est pas enregistrable;

c) le requérant n'est pas la personne ayant droit à l'enregistrement;

d) la marque de commerce n'est pas distinctive.

[Emphasis added]

[5] The term “distinctive” is defined as follows in section 2 of the Act:

2. In this Act, [...] “distinctive”, in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

2. Les définitions qui suivent s'appliquent à la présente loi. [...]

« distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.

[6] The respondent's evidence before the Board consisted of the affidavit of Claire Gordon, a law clerk at the respondent's law firm. Her evidence included the following:

- Extracts of the *Tobacco Products Information Regulations*, SOR/2000-272 and *Tobacco Reporting Regulations*, SOR/2000-273, s 1 “type of packaging”. Both regulations define the term “type of packaging” so as to include “flip-top

package” and “flip-top box” in respect of cigarettes and cigars respectively;

- The results of a Google search conducted on September 13, 2010, with print-outs of 30 web pages using the term “flip-top”, mainly in advertisements that describe a type of packaging or container, and often for tobacco products;
- Entries in the Oxford Dictionaries Online and the Macmillan Dictionary online defining “flip-top” as “having or denoting a lid or cover that can be easily flipped open”, and as “a lid on a container that stays connected to the container when it is opened” respectively. Both entries were retrieved on September 13, 2010;
- Seven Canadian Patent files where the term “flip-top” is used in association with tobacco products packaging. Filing dates on these patent applications range from April 1989 to July 2008.

[7] The applicant’s evidence consisted of the affidavits of Suzanna La Rose, Senior Reference Librarian at the applicant’s law firm and of Mary P. Noonan, trade-mark searcher for the applicant’s law firm. Suzanna La Rose’s affidavit included definitions of “tobacco”, “cigars”, “cigarettes” and “cigarillos” found in a variety of dictionaries printed before 2005 and online dictionaries consulted on April 15, 2011.

[8] Mary P. Noonan’s affidavit contained the following results of searches conducted on April 14, 2011, in the Canadian Trade-marks Database:

- For searches of trade-marks using the terms “flip” or “top” in association with packaging: FLIP-PAC for smoking cessation drugs, FLIP-A-MINT for candy, and “FLIP-YOUR-LID!!” for pizza.
- For searches of trade-marks where an element of the packaging appears in the trade-mark: TWO BY SIX for beer, CLEAR for tobacco, 6 PAK for ice substitutes, BIG PAK

for chewing gum, SCREW for wine, STACK for stationery, RESEALABLE STORAGE PAK for batteries, RESEALABLE ZIPPER for candy, SLIM PACK for chewing gum, BLACK BOX for wine, CHILLER PACK for beer, CLEAR for beer, SIXPACK for car parts, POP THE TOP for soft drinks, TWIN PACK for beer, TWINPACK for asthma medication, and TWINPAK for soap.

- For searches of trade-marks where a disclaimer is made in relation to the references to packaging in the trade-mark: FRIDGE PACK and FRIDGE PAK for beer, GRAB PACK for beer bottle carriers, CASE LOGIC for containers, bags and protective cases, THE VALUE CUBE for soft drinks, UPS 10 KG BOX and UPS 25 KG BOX for shipping materials.

[9] On October 15th, 2013, the Board rendered its decision declining the application to register the Mark.

[10] On appeal before this Court, both parties filed additional evidence.

[11] The applicant filed the affidavit of Nicole Zeit, student-at-law at the applicant's law firm. She submitted a photograph of Wrigley's Freedent Spearmint gum with the MEGAPAK trade-mark displayed on it, as well as website print-outs displaying the use of MEGAPAK, DOUBLE PAK and SLIM PACK as trade-marks for Wrigley's chewing gum. She also submitted website print-outs and newspaper articles showing the use of BLACK BOX as a trade-mark for boxed wine. The applicant also filed certified copies of trade-mark application files for MEGAPAK, DOUBLE PAK, SLIM PACK and BLACK BOX trade-marks.

[12] The respondent, for its part, filed an affidavit of Kathleen Larone which included an affidavit that was filed before the Board as reply evidence, but which was discarded following an objection by the applicant. The affidavit introduced additional definitions of the term “flip-top” from entries in various printed dictionaries along with printouts from the *Office québécois de la langue française*’s online dictionary.

II. The decision under review

[13] The Board referenced excerpts from the parties’ written submissions which provide a good summary of their respective arguments. The excerpt from the respondent’s submissions reads as follows:

4. FLIP-TOP is a dictionary term defined as either a lid on a container or a container having such a lid, where the lid stays connected to the container when it is opened. Such a lid can be easily flipped open. There is no evidence in this opposition that the term can have any other meaning.
5. FLIP-TOP is a term widely used in the tobacco industry to describe packaging for tobacco products that has an attached lid that can be easily flipped open.
6. All manufacturers and distributors of tobacco products should be able to use the term FLIP-TOP in connection with tobacco products sold in this type of packaging.
7. The Opposed Trade Mark FLIP-TOP clearly describes a type of tobacco product packaging, and does so, on first impression, in a manner that is easy to understand.
8. The Opposed Trade Mark FLIP-TOP is not distinctive in relation to tobacco products. It is inherently not distinctive because of its descriptiveness. It is not “adapted to distinguish” and does not actually distinguish the Applicant’s wares from those of others in that other traders already use the term FLIP-TOP in relation to tobacco products.

[14] The applicant, for its part, alleged the following:

The Applicant's trade-mark is a word mark to be used in association with raw and manufactured tobacco products...The specification of wares does not include packaging. The trade-mark FLIP-TOP is an arbitrary term when used with the associated wares. It does not refer to the material composition of the goods or to an obvious intrinsic quality of the goods such as a feature, trait or characteristic of the specified wares. Furthermore, there is no evidence that the Trade-mark will not or cannot be used as a trade-mark, as defined by the *Trade-mark Act*.

[15] The Board began its analysis by setting out the burden of proof lying on each party. It noted that the opponent had the initial burden of adducing sufficient evidence from which it could reasonably be concluded that the alleged facts to support each ground of opposition exist. The Board also indicated that the ultimate legal onus was on the applicant to establish that its application did not contravene the Act.

[16] The Board noted that each ground of opposition was based on the same premise, namely that the term "flip-top" cannot function as a trade-mark because it refers to a type of packaging for tobacco products. The Board was satisfied that the respondent had adduced sufficient evidence to establish that the term "flip-top" does describe a type of packaging for various products and, in particular, for tobacco products. The Board found that the evidence was sufficient to conclude that the respondent had met its initial evidentiary burden.

[17] On the ground of distinctiveness, the Board concluded that the Mark was not distinctive of the applicant's tobacco products. The Board found the present application was analogous to that in *Plastic Packaging Products Ltd v Universal Electric Products Co Ltd*, (1964) 43 CPR 155, [1965] CCS No 209 [*Blister-Pak*]). In that case, the Board denied the application to register

the trade-mark “Blister-Pak” in association with electric Christmas tree lamps. The Board concluded that the mark was incapable of distinguishing the applicant’s wares from those of others because the expression comprising the trade-mark referred to a well-known type of packaging in the trade. Relying on *Blister-Pak*, this Board found that the proposed use of the Mark on packaging for tobacco products would similarly be perceived as a reference to the type of packaging itself rather than as an identifier for the wares inside the packages. The Board expressed the view that the applicant would need to use the Mark and show acquired distinctiveness before it could establish that the Mark is distinctive. Therefore, it concluded that the respondent had succeeded on that ground of opposition.

[18] The Board referenced *John Labatt Ltd v Molson Cos*, [1986] TMOB No 104, 9 CPR (3d) 385 [*John Labatt*] relied on by the applicant. In that case, the Molson Companies Ltd had filed an application to register the trade-mark “TWO BY SIX” in association with “brewed alcoholic beverages” based on proposed use. The opposition was based on three grounds of opposition, namely that the mark was clearly descriptive, that it was the name of the wares and that it was not distinctive. In that case, the Board rejected the opposition. With respect to non-distinctiveness, the Board concluded that the ground of opposition was canvassed in general terms and was linked to the first two grounds of opposition. When discussing the clear descriptiveness issue, the Board concluded that although the evidence showed that the expression “two by six” had an accepted meaning in the beer packaging industry, the evidence failed to establish that the average consumer of beer would ascribe any meaning to the expression. In this case, the Board found that the *John Labatt* case was distinguishable because the non-distinctiveness ground was presented as a stand-alone ground of opposition in alleging that

the expression “flip-top” would not be perceived as a trade-mark. Furthermore, the evidence in this case showed that “flip-top” packaging is not restricted to a particular product.

[19] The Board noted that considering its conclusions on distinctiveness, it was not required to make a finding regarding the ground of descriptiveness. Nonetheless, it decided to discuss it without making a formal ruling because the parties had brought case-law to its attention. The Board discussed the various decisions referenced by the parties and indicated that it would have found the Mark clearly descriptive of the applicant’s wares based on the reasoning adopted by the Board in *Canada Dry Ltd v McCain Foods Ltd*, (1988) 21 CPR (3d) 99, [1988] TMOB No 219 and *Ralston Purina Canada Inc v Effem Foods Ltd* (1989), 24 CPR (3d) 125, [1989] TMOB No 62. The Board noted that it had doubts as to whether these two cases were correctly decided under paragraph 12 (1)(b) of the Act, but it added that it was unable to find them to be clearly wrong, and accordingly, it felt bound by the reasoning in these cases based on the principle of comity in decision-making.

[20] Finally, the Board discarded the applicant’s argument based on evidence regarding the state of the register, which comprised trade-marks descriptive of packaging. The applicant was inferring from the state of the register that trade-marks descriptive of packaging can be registered if they are not descriptive of the wares themselves. The Board did not agree that such an inference could be drawn from the state of the register because the considerations, onus and evidence presented and assessed by the Registrar at the examination stage are different from those involved in opposition proceedings.

III. Issues

[21] This application raises the issue of whether the Board erred by determining that the applicant's trade-mark could not be registered because it was not distinctive. Considering that both parties have filed additional evidence in this appeal, the Court must also determine the appropriate standard of review.

[22] In its decision, the Board refused to register the Mark on the basis of its non-distinctiveness. As indicated earlier, the Board also turned its mind to the clearly descriptive ground of opposition raised by the respondent, but it refrained from making a formal ruling on that ground. After having analyzed the case-law submitted by the parties, the Board noted at paragraph 35 that "[it] therefore would have followed the reasoning in the above-mentioned cases and found that the mark FLIP-TOP is clearly descriptive of the applicant's wares."

[23] The applicant advances that since the Board decided not to make a formal ruling on clear descriptiveness, and since the respondent did not cross-appeal that portion of the Board's decision, the absence of a ruling on that ground is final and cannot be challenged in this appeal. I agree. The Board expressed its view on the clearly descriptive issue but expressly refused to make a finding on that ground. Therefore, the Board's decision contains only one conclusion, namely that it refused to register the applicant's trade-mark because it found that it was not distinctive.

[24] The Board's comments regarding the clearly descriptive ground of opposition raised by the respondent are nothing more than an *obiter*. Consequently, although the parties expressed their view about the Board's reasoning in their memoranda and spent time advancing their respective positions at the hearing, I consider that it is not this Court's role to decide whether the Board's reasoning on that issue was reasonable. Accordingly, I do not find it necessary to summarize and discuss the parties' arguments on that point.

IV. **The positions of the parties**

A. *The applicant's arguments*

[25] The applicant submits that the additional evidence it filed on appeal would have materially affected the Board's finding on the non-distinctiveness issue and accordingly, the Court should proceed with its own appreciation of the evidence. The applicant asserts that in any event, the Board's decision cannot stand on either the reasonableness or the correctness standard of review.

[26] On the merits, the applicant argues that the Board erred in finding that the Mark was not distinctive because its proposed use on packaging for tobacco products would be perceived as a reference to the package itself rather than as an identifier of the wares. The applicant insists that the respondent framed its opposition by alleging that the Mark would neither be used nor perceived as a trade-mark. The applicant remarks that since the respondent pled the ground of non-distinctiveness in very specific terms, namely that the Mark will not be "used or perceived as a trade-mark", it cannot now expand its opposition to a broader ground of non-distinctiveness

so as to include an allegation that the mark is not “capable of distinguishing” the applicant’s wares from those of others (relying on *Procter & Gamble Inc v Colgate-Palmolive Canada Inc*, 2010 FC 231 at para 26, 364 FTR 288 and *Re Brands, LLC v Calsper Developments Inc*, [2006] TMOB No 155 (QL) at para 28, 2006 CanLII 80352).

[27] In reply to the respondent’s allegations, the applicant submits that there is no evidence on record directed to establishing how it intends to use the Mark or how consumers would perceive the Mark. Accordingly, the applicant contends that the respondent had not met its initial evidentiary burden. Moreover, it was not open to the Board to conclude that the expression “flip-top” could not be used and perceived as a trade-mark. Therefore, in the applicant’s view, the Board’s finding was purely speculative. The applicant adds that until the Mark is used, it will remain speculative to consider how it may be perceived when used in association with its tobacco products. Finally, the applicant insists that because the application to register the Mark refers to a proposed use, it is entirely fair that the applicant is not required to crystallize its intent until it is required to do so under the legislation.

[28] Regarding the evidence filed by the respondent, the applicant advances that most of it falls outside the material date for assessing distinctiveness (December 23, 2009).

[29] Further, the applicant submits that the *Blister-Pak* case dates back to 1964 and no subsequent case-law showing that it has been followed was filed before the Court. Moreover, the applicant contends that the case is distinguishable from this case because the issue of whether the trade-mark would be used or perceived as a trade-mark was not raised in *Blister-Pak*. In addition,

the Board in *Blister Pak* held that the trade-mark at issue was not distinctive based on the evidence on record.

[30] The applicant also asserts that the existence of prior sales of tobacco products packaged in flip-top packages is irrelevant to assessing distinctiveness. The applicant relies on *Molson Canada 2005 v Labatt Breweries of Canada*, [2011] TMOB No 193, 97 CPR (4th) 160 [*Molson Canada 2005*], where the applicant sought to register the trade-mark “24 du 24” based on proposed use in association with alcoholic beverages. The applicant submits this case is more recent and far more relevant than the *Blister-Pak* case. In that case, the Board concluded that the fact that the opponent and others advertised and sold beer in cases of 24 bottles or cans prior to the relevant date did not automatically render the trade-mark non-distinctive. The Board added that the trade-mark may not be an inherently strong trade-mark, but this did not mean that it could not distinguish the applicant’s wares from other beers sold in a case of 24. The applicant contends that the same reasoning applies to this case; the fact that the term “flip-top” may refer to a certain type of packaging in which tobacco products are commonly sold is not relevant to assessing distinctiveness, and it does not prevent the Mark from being able to distinguish its tobacco products from those of other manufacturers, whether sold in a flip-top package or otherwise.

[31] The applicant submits that, on the contrary, the evidence it adduced on appeal makes it clear that trade-marks referring to types of packaging are capable of being registered and can be used and perceived as trade-marks. The applicant insists that the additional evidence it filed in appeal supplements the evidence adduced before the Board because it is not limited to

establishing the state of the register. Rather, it shows how some trade-marks descriptive of a type of packaging can be used in the marketplace and be perceived as trade-marks in association with wares other than packages. The applicant references more specifically the trade-marks BLACK BOX for wine and SLIM PACK for chewing gum and advances that these examples address the Board's finding that the Mark could not be used or perceived as a trade-mark. The applicant insists that the context of the "BLACK BOX" trade-mark used in association with wine sold in a black box is a comparable scenario to that in the present case.

[32] Moreover, the applicant argues that because the Board's finding was limited to use of the Mark on packaging for tobacco products, it could only stand for wares that would be sold in flip-top packages. The applicant advances that its application to register the Mark does not refer to packaging material; the application concerns several types of raw or manufactured tobacco products and there is nothing on file to support an inference that all, or even any, of these products would be sold in flip-top packages given that different types of packaging for tobacco products exist. The applicant argues that the Board failed to consider that other types of packaging could be used to sell any of these products. Therefore, there would be no basis for a finding that the use of the Mark on a package other than a flip-top package would be interpreted or perceived as a reference to the packaging itself rather than to the product inside the package.

B. *The respondent's arguments*

[33] The respondent contends that the Board's decision should be reviewed on the reasonableness standard of review unless the new evidence would have materially affected the Board's decision (relying on *Bridgestone Corp v Campagnolo SRL*, 2014 FC 37 at para 20, 117

CPR (4th) 1 [*Bridgestone Corp*]). The respondent asserts that the new evidence filed by the applicant is merely repetitive of evidence already before the Board, and therefore, it would not have materially influenced its decision (*Vivat Holding Ltd v Levi Strauss & Co*, 2005 FC 707 at para 27, 41 CPR (4th) 8 [*Vivat Holding*]).

[34] The respondent adds that the additional evidence adduced by the applicant would not have affected the Board's decision because the Board expressly refused to infer from the state of the register that trade-marks descriptive of packaging can be registered if they are not descriptive of the wares themselves. The respondent noted that the Board took that position for the reasons set out in *Simmons IP Inc v Park Avenue Furniture Corp* (1994), 56 CPR (3d) 284, [1994] TMOB No 160, in which the Board insisted on the difference between the evidence filed and appreciated by the examination section of the Trade-Marks Office from that adduced in an opposition proceeding. Accordingly, additional evidence aimed at showing how some of these marks function as trade-marks in the marketplace would not have impacted on the Board's reasoning.

[35] Further, the respondent argues that the applicant's additional evidence is limited to showing that trade-marks, which are not inherently distinctive because they describe a type of packaging common to the trade, can acquire distinctiveness through use. The respondent argues that such evidence would not have impacted on the Board's decision because the Board had already acknowledged that the Mark could acquire distinctiveness through use. Therefore, evidence of acquired distinctiveness through use does not add anything relevant about the issue regarding inherent non-distinctiveness of the Mark.

[36] Consequently, the Board's decision should be reviewed under the reasonableness standard of review. The respondent also submits that, in any event, the Board's decision would also stand on the correctness standard of review.

[37] On the merits, the respondent submits that the Board did not err in finding that the Mark is not distinctive. The respondent contends that for a trade-mark to be distinctive, it must either be distinctive based on use, or be inherently distinctive, i.e. be adapted to distinguish the applicant's wares from those of others despite the fact that the trade-mark has not yet been used. The respondent contends that since there is no evidence of use of the Mark, the applicant cannot argue that the Mark actually distinguishes its wares from those of others and, therefore, it can only establish distinctiveness based on the second type ("adapted so as to distinguish"). The respondent submits that the potential manner of use of the Mark is not relevant to that prong of the test, which focuses on the inherent distinctiveness of the mark. On this point, the respondent relies on *AstraZeneca AB v Novopharm Ltd*, 2003 FCA 57, 24 CPR (4th) 326 [*AstraZeneca*].

[38] Further, the respondent submits that a trade-mark that is descriptive of the character or of the quality of associated wares cannot be inherently distinctive because it is not adapted to distinguish the applicant's wares from those of others. The respondent insists that to be found non-distinctive, the degree of descriptiveness need not be as stringent as the degree of descriptiveness required for a finding of "clear descriptiveness" under paragraph 12(1)(b) of the Act. On this point, the respondent relies on *Canadian Council of Professional Engineers v APA-The Engineered Wood Assn*(2000), 7 CPR (4th) 239 at para 49, [2000] FCJ No 1027. The respondent also notes that the Board itself has recognized on a few occasions that the

descriptiveness of a trade-mark could render it non-distinctive even if the degree of descriptiveness did not reach the “clearly descriptive” threshold. The respondent references *York Barbell Holdings Ltd v ICON Health & Fitness, Inc* (2001), 13 CPR (4th) 156 at 165-6, [2005] TMOB No 55 and *674802 BC Ltd (cob Amanda Entreprises) v Encorp Pacific (Canada)*, 2011 TMOB 180 at paras 14-16, [2011] TMOB No 5180.

[39] The respondent adds that a trade-mark that is descriptive of the type of packaging in which the wares are sold can also be found non-distinctive based on its descriptive nature. On this point, the respondent references *Blister Pak* and submits that the Board was correct in relying on that case because it is analogous to the case at bar.

[40] Applying these principles to the case at bar, the respondent contends that the Mark is inherently not distinctive of tobacco products because it describes a feature of tobacco product packaging. The respondent asserts that the evidence clearly shows that at the material date (December 23, 2009), the term “flip-top” was a generic, dictionary term which has only one meaning that refers to a container having a lid which stays connected to the container when the lid is opened. The evidence also establishes that “flip-top” is a term that is commonly used in the tobacco industry to describe cigarette or cigar packs that have an attached lid that can easily be flipped open. The respondent adds that the applicant itself has admitted the commonness of flip-top boxes and referenced statements made by the applicant in its own patent application for “flip-top boxes”.

[41] The respondent insists that the evidence it adduced was amply sufficient to show that due to its common meaning, the term flip-top would be perceived by tobacco product consumers as a type of packaging. The respondent insists that evidence from dictionaries and internet searches directed to the meaning of words and how those words are used is relevant and sufficient to address the issue of the meaning of a trade-mark comprising a word and how it would be understood by the average consumer of the wares. The respondent asserts that evidence from consumer perception surveys or other such evidence is not required.

[42] Replying to the applicant's argument that there was no evidence as to how it would use the Mark or how consumers would perceive the Mark, the respondent insists that the evidence it adduced was sufficient to make an inference on how the Mark would be perceived. Moreover, it adds that it is the applicant that had the ultimate onus of establishing that the Mark is distinctive. By not filing any evidence, the applicant left the Board in a situation where it had to make a finding based on inferences drawn from the evidence on record. The respondent raises an argument of fairness and faults the applicant for advancing that the Board is speculating when it was the party responsible for putting the Board in a state of uncertainty by not adducing any evidence directed to how it intends to use the Mark.

[43] The respondent adds that the state of the register is not helpful in the determination of whether a trade-mark is not distinctive based on its descriptiveness. On this point, the respondent relies on *Toronto Dominion Bank v e-Funds Ltd* (2008), 71 CPR (4th) 22, [2008] TMOB No 185, where the Board held that the trade-mark "EFUNDS" was non-distinctive because it was descriptive of the wares and services. The evidence showed there were 268 trade-marks on the

register comprising the prefix “e” and a dictionary word and the Board found that this did not support the conclusion that the mark was not clearly descriptive. On the contrary, the Board found that the evidence supported the opposite conclusion, namely that the trade-mark was clearly descriptive of the applicant’s investment fund services delivered via internet or electronically.

[44] Furthermore, the respondent contends that the fact that the Mark could eventually become distinctive through use and function as an identifier is not relevant to the issue of distinctiveness at the material date. Accordingly, evidence showing trade-marks descriptive of packages that have acquired distinctiveness in the market is not relevant.

[45] The respondent argues that the Board’s finding that the Mark was not distinctive because it would be perceived as a reference to the packaging, rather than the source of the goods, was justified. Although the applicant contends that a trade-mark can only be non-distinctive if it describes the wares themselves as opposed to the packaging, the respondent argues that the term is meaningful in a very specific way related to tobacco products, and therefore relates to the inherent qualities of the products. Since the term “flip-top” indicates a feature of the overall product, it inherently does not distinguish one manufacturer’s tobacco products from those of any other manufacturer that packages their products in flip-top packages.

[46] The respondent distinguishes *Molson Canada 2005* by stating that the idea suggested by the expression comprising the trade-mark (24 du 24) was obscure, whereas the expression “flip-top” has only one possible meaning. It also contends that *John Labatt* is distinguishable

because the Board concluded in that case that the average consumer would not ascribe any meaning to the phrase “two by six” in association with brewed alcoholic beverages.

V. Analysis

A. *What is the appropriate standard of review?*

[47] It is well established that the Board’s opposition decisions are reviewable under the reasonableness standard (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 40, [2006] 1 SCR 772 [*Mattel*]), unless new evidence is adduced in appeal that would have materially affected the Board’s finding of fact or its exercise of discretion. In such a case, the Court must assess the totality of the evidence and draw its own conclusions. In *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 at para 51, [2000] FCJ No 159, the Federal Court of Appeal outlined the approach that the Court must take when new evidence is adduced in the appeal:

[51] I think the approach in *Benson & Hedges* and in *McDonald’s Corp.* are consistent with the modern approach to standard of review. Even though there is an express appeal provision in the *Trade-marks Act* to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar’s expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar’s findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar’s decision.

[See also *Rothmans, Benson & Hedges, Inc v Imperial Tobacco Products Ltd*, 2014 FC 300 at para 30, [2014] FCJ No 312; *Bridgestone Corp* at para 20; *Verger du Minot Inc c Clos Saint-Denis Inc*, 2014 CF 997 at paras 32-33, [2014] ACF no 1051 [*Verger du Minot*]]

[48] To potentially affect the Board's decision, the new evidence needs to be more than a mere repetition of the evidence filed before the Board. In *Vivat Holding*, at para 27, Justice Layden-Stevenson discussed the quality that the new evidence must have to affect the standard of review:

[27] To affect the standard of review, the new evidence must be sufficiently substantial and significant. If the additional evidence does not go beyond what was in substance already before the board and adds nothing of probative significance, but merely supplements or is merely repetitive of existing evidence, then a less deferential standard is not warranted. The test is one of quality, not quantity: *Garbo Group Inc. v. Harriet Brown & Co.* (1999), 3 C.P.R. (4th) 224 (F.C.T.D); *Canadian Council of Professional Engineers v. APA - Engineered Wood Assn.* (2000), 7 C.P.R. (4th) 239 (F.C.T.D.); *Mattel, Inc. v. 3894207 Canada Inc.* (2004), 30 C.P.R. (4th) 456 (F.C.).

[49] Before the Board, the applicant filed the affidavit of Mary P. Noonan which introduced evidence about the state of the register, especially information regarding registered trade-marks in which an element of packaging appears as the trade-mark, including trade-marks such as "SLIM PACK" in association with chewing gum and "BLACK BOX" in association with wine. The Board refused to make any inference from the state of the register because it was of the view that the evidence filed at the application stage and the assessment as the application stage is different from the evidence adduced, and the assessment done, in an opposition proceeding.

[50] I do not think that the Board erred in its conclusion. There is an important difference between a trade-mark that is registered without having been opposed and a trade-mark that is, or has been, the subject of an opposition, specifically where the ground of opposition is non-distinctiveness.

[51] At the application stage, the Registrar cannot refuse an application for the registration of a trade-mark solely because it finds it not distinctive. Subsection 37(1) of the Act lists specific reasons for which the Registrar shall refuse an application: (1) if the application does not conform with section 30 of the Act; (2) if the trade-mark is not registrable (section 9 to subsection 12(1) of the Act), or (3) if the trade-mark is confusing with another trade-mark for the registration of which an application is pending. The non-distinctiveness of a trade-mark is not among the reasons for which the Registrar is directed to refuse an application at the application stage. If the Registrar is not satisfied that an application must be refused for one of the cited reasons, he must then advertise the application.

[52] Once an application has been advertised, it can be opposed on various grounds and non-distinctiveness is one of the grounds of opposition that is enunciated at paragraph 38(1)(d) of the Act. Therefore, before a trade-mark is registered, the issue of its distinctiveness will only be examined by the Registrar if the application has been opposed on that specific ground.

Consequently, there may exist registered trade-marks for which the issue of distinctiveness has never been ascertained because they have not been opposed or because they have not been subjected to expungement proceedings under section 57 of the Act. Therefore, the state of the register has limited relevance to the assessment of distinctiveness.

[53] On appeal, the applicant filed the affidavit of Nicole Zeit, which evidenced how four trade-marks referring to types of packaging were used in association with wares, including the “SLIM PACK” and the “BLACK BOX” trade-marks. The applicant also filed copies of the application files for registration of trade-marks that relate to the packaging of the wares,

including those for the trade-marks “BLACK BOX” and “SLIM PACK”. This evidence was introduced in addition to evidence regarding the state of the register already introduced before the Board to support the allegation that trade-marks describing packaging of the wares can be registered and can also function, in fact, as trade-marks and be perceived as such. It is interesting to note that it appears from the trade-marks applications that except for “BLACK BOX”, the applications were not opposed. With respect to “BLACK BOX”, there was an opposition that was later removed. Therefore, the distinctiveness of these trade-marks was not assessed before they were accepted for registration. Therefore, the fact that these trade-marks were registered is not material.

[54] In my opinion, the evidence regarding the use of trade-marks descriptive of packaging in the market would not have materially affected the Board’s decision regarding the lack of inherent distinctiveness of the Mark. As will be discussed further below, I agree with the respondent that because the Mark is a proposed trade-mark that has not yet been used, it must be inherently distinctive in order to be protected and eligible for registration. Therefore, the fact that there are trade-marks on the register or in the market which, despite not being inherently distinctive, may have acquired distinctiveness with time is not material to the assessment of whether a proposed trade-mark is inherently distinctive.

[55] I also think that the additional evidence filed by the respondent would not have materially affected the Board’s decision either. The evidence concerned definitions of the term “flip-top” from printed dictionaries and from the *Office québécois de la langue française*’s online dictionary that pre-date the filing of the opposition. In essence, this evidence is a repetition of the

evidence it had adduced before the Board. Accordingly, I am of the view that this evidence would not have impacted the Board's decision.

[56] Consequently, I will review the Board's decision according to the reasonableness standard of review.

B. *Was the Board's finding that the Mark is not distinctive reasonable?*

[57] When reviewing a decision according to the reasonableness standard of review, the Court must limit its analysis to "the existence of justification, transparency and intelligibility within the decision-making process" and to determine "whether the decision falls within a range of possible, acceptable outcomes which are defensible in respect of the facts and law" (*Dunsmuir v New Brunswick*, 2008 SCC 9 at para 47, [2008] 1 SCR 190 [*Dunsmuir*]).

[58] In *Dunsmuir* at para 49, the Court also insisted on the importance of deferring to the specific expertise of specialized administrative tribunals:

[49] Deference in the context of the reasonableness standard therefore implies that courts will give due consideration to the determinations of decision makers. As Mullan explains, a policy of deference "recognizes the reality that, in many instances, those working day to day in the implementation of frequently complex administrative schemes have or will develop a considerable degree of expertise or field sensitivity to the imperatives and nuances of the legislative regime": D. J. Mullan, "Establishing the Standard of Review: The Struggle for Complexity?" (2004), 17 *C.J.A.L.P.* 59, at p. 93. In short, deference requires respect for the legislative choices to leave some matters in the hands of administrative decision makers, for the processes and determinations that draw on particular expertise and experiences, and for the different roles of the courts and administrative bodies within the Canadian constitutional system.

[59] In *Canada (Minister of Citizenship and Immigration) v Khosa*, 2009 SCC 12 at para 59, [2009] 1 SCR 339, the Supreme Court reiterated that more than one acceptable outcome could emerge from certain questions and warned the Court against substituting its own appreciation of the evidence to that of the tribunal:

[59] Reasonableness is a single standard that takes its colour from the context. One of the objectives of *Dunsmuir* was to liberate judicial review courts from what came to be seen as undue complexity and formalism. Where the reasonableness standard applies, it requires deference. Reviewing courts cannot substitute their own appreciation of the appropriate solution, but must rather determine if the outcome falls within "a range of possible, acceptable outcomes which are defensible in respect of the facts and law" (*Dunsmuir*, at para. 47). There might be more than one reasonable outcome. However, as long as the process and the outcome fit comfortably with the principles of justification, transparency and intelligibility, it is not open to a reviewing court to substitute its own view of a preferable outcome.

[See also *Newfoundland and Labrador Nurses' Union v Newfoundland and Labrador (Treasury Board)*, 2011 SCC 62 at para 17, [2011] 3 SCR 708]

[60] It is well established that in opposition proceedings, the opponent has an initial evidentiary burden to adduce sufficient evidence from which it could reasonably be concluded that the facts supporting each ground of opposition exist. However, the applicant bears the ultimate onus of establishing, on a balance of probabilities, that its trade-mark complies with the requirements of the Act (*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 at 299, [1990] FCJ No 533, aff'd (1992), 42 CPR (3d) 495, 420 NR 124; *Cyprus (Commerce and Industry) v International Cheese Council of Canada*, 2011 FCA 201 at para 25-28, 93 CPR (4th) 255, leave to appeal to SCC refused, 34430 (April 12, 2012)).

[61] The distinctiveness of a trade-mark is a fundamental principle linked to the purpose of a trade-mark which is to distinguish the owner's wares or services from those of others, i.e. to identify the source of the wares or services. Discussing the differences between patents and trade-marks, the Supreme Court of Canada in *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at para 39, [2005] 3 SCR 302, the Court expressed the following:

[39] In the case of trade-marks, the focus shifts from the product itself to the distinctiveness of its marketing. Trade-marks seek to indicate the source of a particular product, process or service in a distinctive manner, so that, ideally, consumers know what they are buying and from whom. The definition of trade-marks in s. 2 of the Trade-marks Act confirms this focus on distinctiveness in the market and in the public [...]

Similarly, in *Mattel* at para 75, the Supreme Court, citing *Western Clock Co v Oris Watch Co*, [1931] Ex CR 64, [1931] 2 DLR 775, insisted on distinctiveness being the essence of a trade-mark.

[62] The definition of the term "distinctive" at section 2 of the Act provides that a trade-mark can be distinctive in two ways: either it actually distinguishes the owner's wares or services in association with which it is used, or it is adapted so to distinguish them.

[63] In *AstraZeneca* at para 16, the Federal Court of Appeal stressed the importance of distinctiveness and the need for a proposed trade-mark, that cannot have acquired distinctiveness through use, to be inherently distinctive:

[15] The need for a mark to be "distinctive" has been a prominent feature of Canadian trade-mark law for many years, and was apparently borrowed from United Kingdom legislation. Canadian statutory law was overhauled in 1953 pursuant to the *Trade Marks Act*, S.C. 1953, c. 49 following upon the filing of the

Report of Trade Mark Law Revision Committee dated January 20, 1953 with the Secretary of State, a committee that was chaired by Harold G. Fox, Q.C. The report is reproduced in H. G. Fox, *Canadian Law of Trade Marks*, 2nd ed. (Toronto: Carswell, 1956), at 1142 et seq. It recommended a number of changes in Canadian legislation including a recasting of the "trade-mark" and "distinctive" definitions.

[16] The definition of "distinctive" now appearing in section 2 of the Act is directly traceable to Dr. Fox's report. By that definition a mark is "distinctive" either if it "actually distinguishes" the wares or services in association with which it is used by its owner from the wares or services of others or "is adapted so to distinguish them". A mark actually distinguishes by acquiring distinctiveness through use, resulting in distinctiveness in fact. A mark that is "adapted so to distinguish" is one that does not depend upon use for its distinctiveness because it is inherently distinctive. A coined or invented word mark falls into this category: *Standard Coil Products (Canada) Ltd. v. Standard Radio Corp.*, [1971] F.C. 106 (T.D.), at 115; *The Molson Companies Limited v. Carling O'Keefe Breweries of Canada Limited*, [1982] 1 F.C. 175 (T.D.), at 278-79.

[...]

[21] The evidence would appear to fall short of establishing that the mark is "adapted as to distinguish" in the sense that, like an invented or coined word, the mark is inherently distinctive and, as such, by its very nature the proper subject matter for registration quite apart from use. The appellant adduced evidence before the Registrar that the appearance of the tablets is "arbitrary", that it is not dependent upon the active ingredient and that it was chosen "for marketing reasons and to be distinctive". However, there is no showing that the arbitrariness of colour and shape had the effect of distinguishing the appellant's wares from those of others. As noted above, colour alone does not normally possess that quality. Nor would it seem that the combination of colour and shape in this case had that effect in the pharmaceutical products market in Canada.

[Emphasis added]

[64] The same principle was reiterated by Justice Dawson in *Novopharm Ltd v AstraZeneca AB*, 2003 FC 1212 at para 10, 233 DLR (4th) 150, where she noted that since the application was based on proposed use, the question rested on whether the trade-mark was inherently distinctive.

[65] This principle applies to this case. The applicant was seeking to register the Mark for a proposed use in association with its various tobacco products. Therefore, the issue before the Board was whether the evidence established that the Mark was inherently distinctive of the applicant's tobacco products.

[66] In *Sportcam Co v Breck's Sporting Goods Co*, [1973] FC 360 at 364, (*sub nom Magder v Breck's Sporting Goods Co Ltd*), 10 CPR (2d) 28 (FCA), aff'd in [1976] 1 SCR 527, (1975) 17 CPR (2d) 201, Justice Jockett noted that the question of whether a trade-mark is distinctive is to be determined by reference to the message that it conveys to the buying public. In *Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FC 291 at para 5, [2010] FCJ No 326 [*Apotex*], Justice Barnes similarly expressed that "[w]hether a mark is distinctive is a question of fact which is determined by reference to the message it conveys to ordinary consumers" and referenced *Novopharm Ltd v Bayer Inc* (1999), [2000] 2 FC 553 at para 70, 3 CPR (4th) 305 (FCTD), aff'd (2000), 9 CPR (4th) 304, 264 NR 384 (FCA).

[67] In *Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FCA 313 at para 6-7, [2010] FCJ No 1461, which affirmed *Apotex*, the Federal Court of Appeal made the following comments:

6 I am also not persuaded that the judge applied the wrong test for distinctiveness. A trade-mark is actually distinctive if the

evidence demonstrates that it distinguishes the product from others in the marketplace: *Astrazeneca AB v. Novopharm Ltd.*, 2003 FCA 57, 24 C.P.R. (4th) 326 at para.16. A critical factor is the message given to the public: *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1985), 7 C.P.R. (3d) 254 (F.C.T.D.), aff'd (1987), 17 C.P.R. (3d) 289 (F.C.A.). Distinctiveness is to be determined from the point of view of an everyday user of the wares in question and the trade-mark must be considered in its entirety and as a matter of first impression: *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145, 5 C.P.R. (4th) 180 at para. 83 (F.C.A.).

[Emphasis added]

[68] Based on the evidence filed by the respondent, the Board's finding that the respondent had met its initial evidentiary burden was reasonable. Further, based on the evidence as a whole, the Board's finding that the Mark was not distinctive was also reasonably open to it.

[69] The applicant advances several arguments against the Board's decision but the first argument it raises concerns the way the respondent framed its opposition.

[70] The applicant submits that the respondent crafted its opposition in a specific and restrictive way, namely that the Mark would neither be used nor perceived as a trade-mark. The applicant argues that the respondent is now trying to broaden its non-distinctiveness ground of opposition. With respect, I disagree.

[71] In its statement of opposition, the respondent alleged that the Mark was not distinctive for three reasons: (1) because of its descriptive nature, (2) because it will not be used as a trade-mark, and (3) because it will not be perceived as a trade-mark. In the written submissions that it filed before the Board, the respondent detailed its position. Essentially, it asserted that the term

“flip-top” is used in the tobacco industry and describes a type of packaging, and that it would be perceived as such. Consequently, it is inherently not distinctive because it describes a type of packaging, and therefore, it does not distinguish and is not adapted to distinguish the applicant’s tobacco products from those of others. The respondent’s argument regarding distinctiveness focused on the lack of inherent distinctiveness of the Mark due to its descriptive character. Before the Court, the respondent reiterated the arguments that it presented to the Board and expanded on the concept of inherent distinctiveness. In my respectful view, the respondent has not broadened its allegations before this Court.

[72] On the merits, the applicant also contends that the Board could not reasonably conclude that its proposed use on packaging would be perceived as a reference to the packaging rather than to the product because no evidence was adduced on how it intended to use the Mark or how the ordinary consumer would perceive it. The applicant also asserts that the term “flip-top” might be descriptive of a type of packaging but not to the tobacco products themselves and, therefore, it cannot be found non-distinctive based on its descriptiveness.

[73] In my view, these arguments cannot succeed. In order to determine whether the Mark is distinctive, the Board was required to assess the message that the ordinary user of tobacco products would perceive when seeing the term “flip-top” in association with tobacco products. In other words, it was required to determine whether the average consumer would perceive the Mark as a source identifier of the applicant’s tobacco products. Evidence from the applicant on how it intended to use the Mark would have been relevant, but the absence of such evidence did

not leave the Board in a position where it was incapable of making a finding on how the Mark would likely be perceived.

[74] In my view, the portion of the evidence produced by the respondent that predates the date of the opposition (December 23, 2009), was relevant and sufficient to conclude that it had met its initial evidentiary burden. Further, I consider that the evidence was also sufficient to infer that the term “flip-top” is a defined word that is commonly used in the tobacco industry and market which refers to a specific type of packaging. Therefore, the evidence was sufficient to allow the Board to make an inference as to how the Mark in association with tobacco, absent any evidence on intended use, would be perceived by the average consumer of tobacco products, and to support the Board’s finding that the Mark is not inherently distinctive. Based on the evidence, I do not consider this finding to be speculative.

[75] The evidence shows that the term “flip-top” is a defined word that refers to a container that has a lid that is easily flipped open. The evidence also shows that the term “flip-top” is commonly used in the tobacco industry and refers to package containers for cigarettes or cigars which have a lid that stays connected to the packs when the lid is open. Further, the *Tobacco Products Information Regulations*, SOR/2000-272 and the *Tobacco Reporting Regulations*, SOR/2000-273 define various types of packages for tobacco products, especially cigarettes and cigars, among which “flip-top package” and “flip-top box”.

[76] The evidence also comprises excerpts from patent files referring to various flip-top packages for tobacco products. It is interesting to note that one of the patent files referenced by

the respondent, Canadian Patent 2437925, is owned by the applicant and is entitled “flip-top box”. In the description of the invention, the applicant asserts that flip-top or hinge-lid boxes for cigarettes “are the most common cigarette boxes alongside soft-pack packs”.

[77] The evidence also contains several results from a Google search for the words “flip-top” and “cigarettes” that was done after the date of the filing of the opposition. Given that it is impossible to determine whether these searches would have provided the same results before or at the date of the filing of the opposition, I will not consider that evidence. Nevertheless, I am of the view that the evidence that predates the filing of the opposition, taken as a whole, was sufficient to reasonably support the Board’s conclusion that the term “flip-top” describes a type of packaging used for various products, including a type of packaging for tobacco products, especially cigarettes and cigars. I also consider that the evidence was sufficient to infer how the average consumer of tobacco products would perceive the term “flip-top” in association with tobacco products. Therefore, I consider that it was reasonably open to the Board to conclude that the ordinary consumer of tobacco products would perceive the Mark as a reference to the package rather than as a source identifier for the applicant’s products.

[78] As such, I consider that it was open to the Board to conclude that the term “flip-top” in association with tobacco products is not inherently adapted to distinguish the tobacco products of one manufacturer from those of other manufacturers. In my view, it was not necessary for the respondent to adduce survey evidence on how the average consumer would perceive the Mark or any other such evidence directed at identifying what the consumer would understand from the expression “flip-top” in association with tobacco products. The jurisprudence recognizes the

usefulness of dictionary definitions and other such evidence to establish the meaning of words used in trade-marks (*Shell Canada Limited v PT Sari Incofood Corp*, 2008 FCA 279 at para 21, 29-30, 68 CPR (4th) 390, leave to appeal to SCC refused, 32873(February 19th, 2009); *Molson Companies Ltd v John Labatt Ltd*, [1987] FCJ No 1102 at para 2, 19 CPR (3d) 88 (FCA); *Home Juice Co v Orange Maison Ltee*, [1970] SCR 942, at 944, 946, 16 DLR (3d) 740; *Verger du Minot* at para 70). It may sometimes be useful to produce survey results but in this case, the evidence was sufficient to infer the meaning that the average consumer of tobacco would give to the expression “flip-top”.

[79] The applicant alleges that because the term “flip-top” is not descriptive of the wares themselves, but simply of their packaging, it is an arbitrary term when used in association with tobacco products and cannot be considered non-distinctive based on its descriptiveness. With respect, I disagree. In my view, because the term has a commonly known definition and meaning in the tobacco industry and market, and because the purpose of a trade-mark is to distinguish one’s wares from those of others, it is reasonable to conclude that a trade-mark comprising a word describing a type of commonly used packaging of the specific wares involved is not an arbitrary term when used in association with these specific wares.

[80] In *Compulife Software Inc v CompuOffice Software Inc*, 2001 FCT 559 at para 19, 13 CPR (4th) 117, Justice Muldoon commented that “[m]arks are inherently distinctive when nothing about them refers the consumer to a multitude of sources”. In this case, considering that flip-top packages refer to a common type of tobacco product packaging, it could also be said that the Mark could refer the consumer of tobacco products to several sources. I am therefore of the

view that it was open to the Board to conclude that it would “be perceived as a reference to the package itself rather than as an identifier for the wares inside the package” and consequently, that the Mark was not distinctive.

[81] Accordingly, I do not find it necessary to determine whether the term “flip-top” is descriptive of an intrinsic quality of the wares themselves such as a feature, trait or characteristic. In the present context, the key consideration is not whether the mark describes an aspect of the product that is necessarily “intrinsic”, but whether the term is capable of identifying the source of the wares in light of the overall product and market.

[82] The fact that some of the applicant’s wares may be packaged in other types of packaging does not render the Board’s conclusion unreasonable. The applicant had the burden of establishing that the Mark would act as a source identifier. In light of the meaning of the term “flip-top” in association with tobacco products and absent any evidence on how the applicant intended to use the Mark, it is not natural to see how the term “flip-top” could convey a message directed at identifying a specific tobacco product manufacturer. Therefore, in my view, the Board’s conclusion was reasonable when applied to all of the applicant’s wares included in the application to register the Mark.

[83] This is not to say that the term “flip-top” could never acquire distinctiveness over time through use, but in this case, the applicant had the onus of establishing that the Mark was inherently distinctive and the Board’s conclusion that it is not, falls within the range of possible outcomes in view of the evidence. The fact that the Mark is descriptive of something closely

related to the wares is sufficient to support a finding that the Mark is not inherently distinctive of the applicant's wares.

[84] The evidence adduced by the applicant does not change my view about the reasonableness of the Board's conclusion. First, I have already explained that because the question of the Mark's distinctiveness rested on its inherent distinctiveness, evidence directed at showing that trade-marks descriptive of type of packaging can act and be perceived as trade-marks (like "Black Box" in association with wine for example) is of limited assistance. Second, and for the reasons outlined earlier, the fact that trade-marks descriptive of various types of packaging have been registered is also of limited assistance absent any evidence as to whether the trade-marks referenced have been the subject of oppositions or expungement proceedings. Third, most of the evidence filed by the applicant in that regard postdates the date of the opposition.

[85] I also consider that the Board did not err in finding that the case at bar was analogous to that in *Blister Pak*. The context of that case was similar to the context in this case because it involved an expression that did not describe the wares themselves, but a type of packaging common to the trade in association with the wares. The Board concluded that, because the trade-mark comprised an expression that refers to a certain method of packaging articles of various types, the trade-mark could not distinguish the wares of the applicant from those of others. These principles apply to the case at bar.

[86] The *John Labatt* case referenced by the applicant can be distinguished from this case in several manners. First, the opposition was based on three grounds of opposition, namely that the mark was clearly descriptive of the wares, that it was not registrable because it was the very name of any of the wares in connection with which it is used, and finally, that the trade-mark was not distinctive. The Board found that the ground based on non-distinctiveness was phrased in general terms and was a derivative ground of the two other grounds. The Board also concluded that the evidence failed to establish that the average consumer would ascribe any meaning to that expression in association with brewed alcoholic beverages. However in this case, non-distinctiveness is a self-standing ground of opposition, and it is reasonable to consider that the average consumer of tobacco products, when seeing the Mark, would think about a common type of packaging for tobacco products, specially cigarettes and cigars.

[87] *Molson Canada 2005* is also distinguishable because in that case the Board concluded that the idea suggested by the trade-mark “24 du 24” was somewhat obscure. In this case, the evidence points to only one common definition, especially in the tobacco products industry and market.

[88] For all of the above reasons, I conclude that this appeal must be dismissed.

[89] Respecting costs, the parties have agreed to an amount of \$6,000 either way.

JUDGMENT

THIS COURT'S JUDGMENT is that the appeal is dismissed with \$6,000 in costs in favour of the respondent.

"Marie-Josée Bédard"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2066-13

STYLE OF CAUSE: PHILIP MORRIS PRODUCTS S.A. v IMPERIAL
TOBACCO CANADA LIMITED

PLACE OF HEARING: MONTRÉAL, QUEBEC

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**REASONS FOR JUDGMENT
AND JUDGMENT:** BÉDARD J.

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