

Federal Court of Appeal



Cour d'appel fédérale

Date: 20150501

**Dockets: A-222-14
A-223-14**

Citation: 2015 FCA 111

**CORAM: GAUTHIER J.A.
WEBB J.A.
NEAR J.A.**

BETWEEN:

ROTHMANS, BENSON & HEDGES, INC.

Appellant

and

IMPERIAL TOBACCO PRODUCTS LIMITED

Respondent

Heard at Toronto, Ontario, on April 29, 2015.

Judgment delivered at Ottawa, Ontario, on May 1st, 2015.

REASONS FOR JUDGMENT BY:

GAUTHIER J.A.

CONCURRED IN BY:

**WEBB J.A.
NEAR J.A.**

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REASONS FOR JUDGMENT

GAUTHIER J.A.

[1] Rothmans, Benson & Hedges, Inc. appeals the order of Boivin J. (the judge) (2014 FC 300) dismissing its appeals from the decision of Trade-marks Opposition Board (the Board) (2012 TMOB 226) rejecting its oppositions to Imperial Tobacco Products Limited's Applications No. 1,317,127 and No. 1,317,128 (Marks 127 and 128).

[2] Both applications seek registration of an Orange Package Design in association with manufactured tobacco products, namely cigarettes. The appellant's appeals from the decision of the judge were consolidated by the June 18th, 2014 order of Mainville J.

[3] The appellant argues that the Registrar erred in finding that the respondent's applications complied with subsections 30(b) and (h) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act). For applications based on prior use of a mark in Canada, subsection 30(b) requires applicants to provide the date of first use. In applications for trade-marks not limited to words, subsection 30(h) requires applicants to provide a drawing of the applied-for mark.

[4] Before us, the appellant made clear that it was not contesting that the marks described in each application would be registerable had they been used as described. Thus, the issue is whether the applications should have been denied on the basis that the respondent has not in fact used the marks for which it applied, and that the drawings submitted are not representative of the marks it has actually used.

[5] The appellant says that the Board failed to properly consider and refer to *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 [*Nightingale*]. However, it acknowledged at the hearing that *Nightingale* was not cited to the Board, and that the case simply summarizes existing case law regarding when a mark can be said to have been used as registered.

[6] In any event, *Nightingale* merely reaffirms that the use of a mark in combination with other material constitutes use of a mark *per se* as a trade-mark if the public, as a matter of first

impression, would perceive the mark *per se* as being used as a trade-mark. In addition, as in proceedings under section 45 of the Act, a given trade-mark will be considered to be used where the trade-mark actually used (either alone or in combination with other material) is not substantially different from the applied-for or registered mark and where any deviations will not deceive the public.

[7] The appellant asserts that the Board should have specifically referred to *Nightingale* and the two principles summarized above. In the appellant's view, the Board never turned its mind to the question of whether Marks 127 and 128 were used as described and depicted in the applications.

[8] The appellant argues that had the Board properly considered *Nightingale*, it would have concluded that the applied-for marks had not been used since 2006 and that the colour orange could not have been perceived by consumers to be used as a trade-mark *per se*. For the appellant, the colour orange is actually used by the respondent as an aesthetic background overlaid and integrated with other matter, including other trade-marks and information mandated by regulation (e.g., health warnings, a list of ingredients, a price barcode etc.).

[9] For the reasons that follow, I cannot agree.

[10] In my view, this case essentially turns on its own facts and the evidence on file. Contrary to the appellant's arguments based on policy, it is not a case that involves any new principles.

[11] It is trite law that on appeals of decisions made pursuant to subsection 56(1) of the Act, this Court must consider whether the judge properly identified and applied the standard of review (*Monster Cable Products, Inc. v. Monster Daddy, LLC*, 2013 FCA 137 at para. 4). The parties agree that the judge properly identified the reasonableness standard as applicable to the issues that were before him. Therefore, rather than focussing on the reasons of the judge, this Court will step into the shoes of the judge and focus on the decision of the Board: *Agraira v. Canada (Public Safety and Emergency Preparedness)*, 2013 SCC 36 at paras. 45-46, [2013] 2 S.C.R. 559.

[12] I note that the precise arguments made before us were not made to the Board. Although the appellant raised subsection 30(b) in its opposition, its argument in relation to that subsection was limited to the fact that i) Marks 127-128 were applied to products sold in the so-called dark market in most provinces in Canada, and would therefore not be visible at the time of transfer and ii) alternatively, if those marks were visible at the time of transfer, they could not act as trade-marks because they were merely ornamental and not indicative of source (Appeal Book Vol. I, pp. 222-223 and 232).

[13] In analyzing the subsection 30(b) ground of opposition, the Board noted that the appellant filed no written submissions at the hearing and presented no oral arguments in support of this ground. It is thus difficult to fault the Board for not addressing subsection 30(b) in the exact manner in which the appellant now argues it. Certainly, in that context it is evident that we cannot infer from the absence of a specific reference to *Nightingale* that the Board failed to

consider the principles discussed therein. This is especially so considering that these principles have been applied consistently for more than 40 years.

[14] The Board addressed the arguments raised by the appellant in its statement of opposition in relation to subsections 30(b) and (h) in paras. 40-44 and 46 of its reasons.

[15] In discussing subsection 30(b), in my view the Board also dealt with the issue of whether or not the respondent's actual use of the colour orange on its packaging as of 2006 constitutes use of Marks 127 and 128 *per se* as trade-marks. Although the Board does not expressly address all the specific points raised by the appellant before us, as these were not argued before it, on a fair reading of her reasons, it is clear that it turned its mind to these issues and addressed them in substance at paras. 42 and 46 of its reasons. It refers to relevant evidence submitted by the respondent and in particular how it had notified the public that the colour orange was used as its trade-mark, and it refers to the impact of other marks and material (particularly, the warnings) used on the packaging. On my reading, it 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 respondent. In para. 46, the Board also noted that the appellant adduced no evidence to support its allegation that the marks were merely ornamental.

[16] In view of the foregoing, I have not been persuaded that the Board's decision was unreasonable. The conclusion it reached in respect of the issues referred to above was open to it on the evidence before it. The judge therefore properly applied the standard of review when he found its decision to be reasonable.

[17] I propose that the appeal be dismissed with costs.

“Johanne Gauthier”

J.A.

“I agree

Wyman W. Webb, J.A.”

“I agree

D.G. Near, J.A.”

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS: A-222-14 & A-223-14

STYLE OF CAUSE: ROTHMANS, BENSON &
HEDGES, INC. v. IMPERIAL
TOBACCO PRODUCTS LIMITED

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: APRIL 29, 2015

REASONS FOR JUDGMENT BY: GAUTHIER J.A.

CONCURRED IN BY: WEBB J.A.
NEAR J.A.

DATED: MAY 1, 2015

APPEARANCES:

A. Kelly Gill FOR THE APPELLANT
James Buchan

Steven Garland FOR THE RESPONDENT
Timothy Stevenson

SOLICITORS OF RECORD:

GOWLING LAFLEUR HENDERSON FOR THE APPELLANT
Barristers and Solicitors
Toronto, Ontario

SMART & BIGGAR FOR THE RESPONDENT
Ottawa, Ontario