IN THE MATTER OF AN OPPOSITION
by Fabriques de Tabac Reunies S.A.
to application No. 486,925 for the
trade-mark SATIN filed by Loew's
Theatres, Inc. (now Lorillard, Inc.)

On May 14, 1982, the applicant, Loew's Theatres, Inc. (now Lorillard, Inc.), filed an application to register the trade-mark SATIN based on proposed use in Canada for the following wares:

> tobacco, whether raw or manufactured; smokers' articles, namely, lighters, pipes, papers, tobacco pouches, matches, pipecleaners, cigarette ashtrays, cigarette and cigar cases and holders, cigarette rollers, cigar clippers, filters and rolling tubes.

The application was advertised for opposition purposes on July 2, 1986.

The opponent, Fabriques de Tabac Reunies S.A., filed a statement of opposition on December 2, 1986, a copy of which was forwarded to the applicant on January 12, 1987. The grounds of opposition include one based on Section 16(3)(b) of the Trade-marks Act, namely, that the applicant is not the person entitled to registration because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's trade-mark SATINE for which an application (No. 419,276) had previously been filed for the following wares:

> tobacco raw or manufactured; matches, cigarette holders and smokers ash-trays (none being precious metal or coated therewith), pyrophoric lighters for smokers, cigarette papers, filters for cigarettes, cigarette tubes, pocket machines for filling cigarette tubes by hand and pocket machines for rolling cigarettes by hand.

The opponent's application was filed on December 23, 1977 and claimed a convention priority filing date of June 27, 1977.

The applicant filed and served a counterstatement. As its evidence, the opponent filed the affidavit of Mildred Joan Lusk. The applicant filed the statutory declaration of Tom H. Mau. Both parties filed written arguments and an oral hearing was conducted at which both parties were represented.

On March 17, 1989, the opponent was granted leave to amend its statement of opposition to include an additional ground of opposition based on the registration (No. 329,479) which issued from application No. 419,276. The applicant subsequently requested leave to amend its counterstatement to reply to the additional ground of opposition. The applicant's request was inadvertently overlooked. Thus, leave is now granted to the applicant to amend its counterstatement in accordance with the revised counterstatement filed with its letter of July 24, 1989.

As for the opponent's ground of prior entitlement based on its application No. 419,276, the certified copy of that application appended to the Lusk affidavit establishes that it was filed prior to the applicant's application. That certified copy and the certified copy of the registration issuing from the opponent's application (Exhibit A to the Lusk affidavit) both establish that the opponent's application was pending as of the applicant's advertisement date as is required by Section 16(4) of the Act.

The applicant's agent submitted that Section 16(4) of the Act requires the opponent

to not only show that its previously filed application was pending as of the applicant's advertisement date but to also show that it was `bona fide' and legitimately pending. He submitted that there was a burden on the present opponent to evidence its continuing interest in its applied for trade-mark and to confirm the ongoing legitimacy of its intention to use that mark as originally stated in its application. However, Section 16(4) of the Act does not specify such additional requirements and I am unaware of any authority supporting the applicant's contention. In any event, there would seem to be little doubt as to the legitimacy of the opponent's stated intention to use its proposed mark since application No. 419,276 issued to registration (see Exhibit A to the Lusk affidavit).

The opponent having satisfied the burden on it pursuant to Section 16 of the Act, the issue of prior entitlement remains to be decided on the issue of confusion between the marks of the parties. The material time for considering the circumstances respecting this issue is as of the applicant's filing date in accordance with the clear wording of Section 16(3) of the Act. Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

The marks of both parties are inherently distinctive although both are perhaps somewhat suggestive in that they could suggest that the associated wares have a satin-like feel or finish. The opponent has failed to evidence any use of its mark and I must therefore conclude that it had not become known at all in Canada as of the material time. The applicant has evidenced use of its mark in the United States but there is insufficient evidence to support the conclusion that the applicant's American activities have given rise to any Canadian reputation for its mark as of the material time. Thus, I must conclude that the applicant's mark had not become known at all in Canada as of the applicant's filing date.

The length of time the marks have been in use is not a material circumstance in the present case. The wares of the parties are very similar and presumably the trades would also be similar. The marks of the parties bear a high degree of visual resemblance. The ideas suggested by the marks are similar. There is some phonetic resemblance between the marks.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of the above, and particularly in view of the similarities between the wares, trades and marks of the parties, I find that the applicant has failed to satisfy the onus on it to show that its trade-mark SATIN is not confusing with the opponent's mark SATINE.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 30TH DAY OF NOVEMBER 1990.

David J. Martin,
Member,
Trade Marks Opposition Board.