



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

Citation: 2020 TMOB 123

Date of Decision: 2020-10-30

IN THE MATTER OF AN OPPOSITION

JTI-Macdonald TM Corp.

Opponent

and

Kabushiki Kaisha Studio Ghibli

Applicant

1,600,297 for STUDIO GHIBLI

Application

[1] Kabushiki Kaisha Studio Ghibli (the Applicant) has applied to register the trademark STUDIO GHIBLI (the Mark) for various entertainment services, including, among others, “production and distribution of television entertainment; film production; movie studios”, and various goods, including various electronics, household goods, apparel, and toys, as well as the following: “lighters for smokers, matches, tobacco pipes, ashtrays not of precious metal, cigarette cases” (the “Smokers’ Articles”).

[2] JTI-Macdonald TM Corp. (the Opponent) opposes the application. The opposition is based on (i) an allegation that the Mark is confusing with seven trademarks featuring the word STUDIO registered by the Opponent for use in association with the goods “cigarettes” and (ii)

various technical grounds alleging non-compliance with the *Trademarks Act*, RSC 1985, c T-13 (the Act).

[3] For the reasons that follow, I reject the opposition.

THE RECORD

[4] On October 30, 2012, the Applicant filed application No. 1,600,297 (the Application) to register the Mark based on its proposed use in Canada in association with the goods and services set out in Schedule A hereto. The Application was advertised in the *Trademarks Journal* on November 19, 2014 for the purposes of opposition. A minor amendment was made to the statement of goods in the Application on March 9, 2015; however, that amendment is not at issue in this proceeding.

[5] On April 20, 2015, the Opponent filed a statement of opposition pursuant to section 38 of the Act. All references to the Act in these reasons are to the Act as amended on June 17, 2019, with the exception of references to the grounds of opposition and circumstances considered in assessing confusion, which refer to the Act as it read immediately before amendment (per the transitional provisions in section 70 of the Act for applications advertised before June 17, 2019).

[6] The statement of opposition was amended with respect to certain pleadings on September 3, 2015. The grounds of opposition as currently pleaded are based on sections 30(e), 30(h), 30(i), 16(3)(a), 12(1)(d), and 2 of the Act, as they read immediately before June 17, 2019. The Applicant filed a counter statement on November 9, 2015, denying each of the grounds of opposition.

[7] The Opponent filed as its evidence two affidavits of Manon Goudreau, dated March 8, 2016, and an affidavit of Camille Aubin, dated March 9, 2016. Ms. Goudreau and Ms. Aubin are employed by the Opponent's agent, as a law clerk and a lawyer, respectively. Both were cross-examined on their affidavits and the transcripts are of record.

[8] The Applicant filed as its evidence an affidavit of Gay Owens, dated April 18, 2017. Ms. Owens is a searcher employed by the Applicant's agent. She was not cross-examined.

[9] Both parties filed written arguments, but only the Applicant was represented at an oral hearing.

EVIDENTIARY BURDEN

[10] The legal onus is on the applicant to show that the application complies with the provisions of the Act. However, for each ground of opposition, 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 that ground of opposition exist. If this initial burden is met, then the applicant must satisfy the Registrar, on a balance of probabilities, that the ground of opposition should not prevent registration of the trademark at issue [*Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Christian Dior SA v Dion Neckwear Ltd*, 2002 FCA 29].

GROUND OF OPPOSITION BASED ON NON-COMPLIANCE WITH SECTION 30 OF THE ACT

[11] The grounds of opposition raised under sections 30(e), 30(h), and 30(i) of the Act are dismissed, for the reasons that follow.

Grounds of opposition based on non-compliance with section 30(e)

[12] Section 30(e) of the Act requires an applicant for a proposed trademark to state that, by itself and/or through a licensee, it intends to use the proposed trademark in Canada. Since the Application contains such a statement and, as such, complies formally with section 30(e), the issue is whether the Application also complies substantively, *i.e.* whether the Applicant's statement is true.

[13] Given that the facts supporting an applicant's intentions are particularly within the knowledge of the applicant, the burden of proof on an opponent with respect to a section 30(e) ground of opposition is a relatively light one [*Molson Canada v Anheuser-Busch Inc* (2003), 2003 FC 1287]. The material date for assessing this ground of opposition is the filing date of the application [*Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 (TMOB)].

[14] In its statement of opposition, the Opponent pleads three different allegations under this ground. I will address each of these in turn.

Ground based on non-compliance with sections 30(e) and (h)

[15] First, the Opponent pleads that the Application does not conform to the requirements of sections 30(e) and (h) of the Act because the trademark proposed to be used is not the Mark but rather a different mark. Specifically, the Opponent alleges that the actual trademark to be used is one or both of two “other trademarks”, which are depicted in black and white in the statement of opposition. The first consists of the words STUDIO and GHIBLI straddling a fanciful cat-like character in a circle, all above a long, shallow arc (the Horizontal Logo). The second consists of a dark square whose bottom right corner contains the words STUDIO GHIBLI below a string of underlined Asian characters (the Bilingual Logo).

[16] In the Opponent’s written argument, the Bilingual Logo is depicted in greyscale, with the word elements superimposed on a large outline of the fanciful cat-like character. However, if there was meant to be such an additional design feature in the Bilingual Logo in the statement of opposition, it is not visible in the pleadings of record (filed by facsimile).

[17] I would first note that the Mark is a word mark, not a design mark or a composite word and design mark. Since the application is for the registration only of words not depicted in a special form, section 30(h) of the Act does not apply—there is no requirement for a drawing or representation of the Mark to be filed.

[18] As for section 30(e), the fact that the Applicant may have incorporated the Mark into one or more logos or composite trademarks does not preclude the Applicant from also having a *bone fide* intention to use the Mark on its own.

[19] Since the Opponent did not provide or point to any evidence in support of its contention that the Applicant did *not* also intend to use the Mark on its own, the Opponent has not met its evidential burden. It is therefore not necessary to consider—under the section 30(e) ground of opposition— whether use of one or both of the composite trademarks depicted in the statement of opposition may also constitute a use of the Mark.

[20] In view of the foregoing, the ground of opposition based on sections 30(e) and (h) of the Act is dismissed, for the Opponent's failure to meet its evidential burden.

Ground based on non-compliance with section 30(e) owing to prior use

[21] Alternatively, the Opponent pleads that the Application does not conform with the requirements of section 30(e) of the Act because the Applicant, at the time of filing the Application, was already using the Mark in Canada in association with the following goods listed in the Application:

computer games software; compact discs pre-recorded with sound and images; alarm clocks; brooches, charms; ball-point pens; pencils, albums; books; calendars; booklets; handkerchiefs of paper; photographs, pens; photograph stands; rubber office stamps; shopping bags; travel bags; rucksacks; wallets; purses; umbrellas; umbrella covers; cushions; pillows; cases; boxes; clothes-pins; decoration curtains; mirrors; picture frames; sleeping bags for camping; spoons for kitchen use; dishes (not of precious metal); chopsticks; bed blankets; face towels of textile; handkerchiefs of textile; bed covers; mattress covers; pillowcases; rugs; bedlinen; aprons; socks; slippers; artificial flowers [listed twice]; hair bands; hair ornaments (not of precious metal); ribbons; plastic toys; metal toys; plastic figures; metal figures; stuffed toys;

[my emphasis]

and the following services listed in the Application:

rental of cine-films; film production; movie studios; publication of books; production of radio and television programs; rental of video tapes; arranging and producing of musical and TV shows.

[22] In this respect, the Registrar has held that an applicant who has already commenced use of the trademark in Canada is not permitted to file its application based on an "intent" to use under section 30(e) but must instead file based on "use" under section 30(b) [see *e.g. Manulife Cassuci Di Caucci Ugo & C S.a.s. v Cassuci Clothes Inc* (1993), 52 CPR 3d 250 (TMOB)].

[23] In the present case, the Opponent relies on one of the affidavits of Manon Goudreau—a law clerk employed by its agent and a fan of Japanese anime films—to show that "the Applicant was already using a version of [the Mark] at the time of filing its application at least in association with goods described as 'compact discs pre-recorded with sound and images'" [Written Argument, para 24]. In this affidavit [First Goudreau Affidavit], Ms. Goudreau attests to having purchased two STUDIO GHIBLI anime films online from *chapters.indigo.ca*: (i) a

DVD delivered to her in Montreal on March 24, 2010; and (ii) a Blu-ray™ disc with DVD delivered to her on June 14, 2012.

[24] The four exhibits to her affidavit contain invoices and shipping documentation for the two orders, as well as photographs of the cardboard sleeves for the two films. The front of each sleeve displays a version of the Horizontal Logo incorporated into the phrase “DISNEY PRESENTS A STUDIO GHIBLI FILM”. The spine of each sleeve displays a similar design, but with the character in a circle above a shallow arc to the right of the words. The back cover of each sleeve displays a list of credits that includes “STUDIO GHIBLI” and “A STUDIO GHIBLI Production”; the back cover also displays a row of logos that includes a variation of the Bilingual Logo wherein the word elements appear to the right of an outline of the fanciful character.

[25] Applying the principles set out in *Canada (Registrar of Trade-marks) v Cie Internationale pour l’informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA); *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB); and *Loro Piana SPA v Canadian Council of Professional Engineers*, 2009 FC 1096, I find that the Mark has not lost its identity and stands out from these logos’ design elements, as well as from the descriptive text and other marks and names incorporated into the composite logos, and remains recognizable as a distinct trademark within the various logos. I am therefore satisfied that the Mark has been used on the exhibited DVDs and Blu-ray™ disc packaging.

[26] The Opponent takes the position that such discs are covered by the Application, because the expression “compact discs pre-recorded with sound and images” in the statement of goods can include DVDs, which are “discs that are compact and whose content is pre-recorded with sound and images (such as the films purchased by Ms. Goudreau)” [Written Argument, para 54]. The Opponent argues that compact discs may include documents similar to films and that this appears to have been acknowledged by the Registrar in *Apple Inc v Ateliers March Dépot (Mach Depot) Inc*, 2015 TMOB 2017 at para 63, where a compact disc was described as “containing digital copies of two television commercials” [Written Argument, para 55].

[27] Generally speaking, an affidavit or declaration of an employee of a party’s agent is admissible only to the extent that the evidence relates to non-controversial and non-central matters [*Cross-Canada Auto Body Supply (Windsor) Ltd v Hyundai Auto Canada*, 2005 FC

1254, 43 CPR (4th) 21, aff'd 2006 FCA 133, 53 CPR (4th) 286]. Accordingly, evidence dealing with the issue of whether the Applicant had used the Mark on goods covered by the Application should have been introduced by a third party. However, as Ms. Goudreau's affidavit merely provides evidence of two past purchases unconnected with the current proceeding and does not contain any conclusions or opinions on the contentious issues of this opposition, I find it to be admissible.

[28] Nevertheless, in the absence of evidence as to the meaning of the commercial terms "compact disc", "DVD", and "sound and images", I am not prepared to find that a DVD pre-recorded with a film is considered to be a "compact disc pre-recorded with sound and images". In this respect, I accept the Applicant's argument at the oral hearing that, even if DVDs may be described as "discs that are compact and whose content is pre-recorded with sound and images", this fact alone does not establish that the description is an ordinary commercial term for the Applicant's DVDs or Blu-ray™ discs. The Registrar's statement in *Apple* to the effect that several minutes of video will fit on a compact disc is not evidence that "compact disc" is a commercial term used to describe DVDs. Indeed, neither Ms. Goudreau's affidavit nor Ms. Aubin's affidavit—which shows the Opponent's DVDs and Blu-ray™ discs made available online, as discussed below—shows the term "compact disc" in reference to such goods.

[29] Moreover, even if a DVD can technically be considered a type of "compact disc", and even if compact discs *may* contain video, the good listed in the application is "compact discs pre-recorded with sound and images" [my emphasis]. In the absence of evidence to the contrary, I am not prepared to find that "sound and images" is an ordinary commercial term for "films" or videos in general. Although, technically, a film may be thought of as a series of moving images, or series of still images creating the illusion of movement, accompanied by a sound track, I find it more likely that "compact discs pre-recorded with sound and images" would be interpreted as a reference to CDs containing music and/or still pictures, as opposed to films.

[30] Furthermore, there is no evidence of use of the Mark in association with any of the other goods or services referenced by the Opponent.

[31] In view of the foregoing, this ground of opposition is dismissed as well, for the Opponent's failure to meet its evidential burden.

Ground based on non-compliance with section 30(e) in respect of each good and service

[32] The Opponent further pleads that the Application does not conform to the requirements of section 30(e) of the Act because the Applicant never intended to use the Mark in Canada in association with *each* of the goods and services listed in the Application.

[33] The Opponent has not addressed this ground of opposition in its written argument and it is not clear on what evidence it relies. However, I note that the affidavit of Camille Aubin—a lawyer employed by its agent—introduces printouts from the Internet Archive at *www.archive.org*, showing archived webpages from the online retailer *www.amazon.ca* from 2009 to 2011, where STUDIO GHIBLI discs were offered for sale (represented by images of what appear to be the sleeves).

[34] The archived pages feature DVDs of several films that are depicted with the Horizontal Logo incorporated into the phrase “DISNEY PRESENTS A STUDIO GHIBLI FILM” [Exhibits CA-2 to CA-5]. One page features a close-up of a DVD displaying the header “WALT DISNEY HOME ENTERTAINMENT PRESENTS A STUDIO GHIBLI FILM” and a footer containing the variation of the Bilingual Logo with the words to the right of the character [Exhibit CA-8]. The archived webpage from September 17, 2011 [Exhibit CA-6] appears to show the hits for “studio ghibli products” in “All Departments”; it indicates that “23” products were found and depicts 15 of them. These 15 products consist of 12 DVDs, one Blu-ray™ disc, one “Blu-ray Combo Pack w/DVD”, and one “Hardcover”. The markings are difficult to make out but those on the discs appear to be generally consistent with the markings on the discs shown at Exhibits CA-2 to CA-5 and CA-8, and at least one of the remaining discs displays the header “WALT DISNEY STUDIOS PRESENTS A STUDIO GHIBLI FILM” [see also Q32–Q35].

[35] If the Opponent is relying on these archived webpages to show that the Applicant’s intention at the time of filing the Application was to use the Mark only on DVDs, Blu-ray™ discs, and possibly hardcovers, then, as noted above, such evidence should have been introduced by a third party [per *Cross-Canada, supra*]. However, to the extent that Ms. Aubin’s affidavit merely provides printouts of certain archived webpages and does not contain any conclusions or opinions regarding the significance of those pages, I find it to be admissible. (That being said, I agree with the Opponent’s contention at Question 81 of Ms. Aubin’s cross-examination that her

suggestion that “there were probably more than just DVDs” is speculative, as it does not appear to be based on her memory of the actual search or on finding more than a variety of DVD products in the exhibited printouts, and I have disregarded that particular portion of her evidence.)

[36] In any event, even if the Applicant only used the Mark on certain goods prior to filing the Application, that does not necessarily mean that the Applicant did not intend to use the Mark on other goods going forward.

[37] Since there is no evidence in the record to support an allegation that the Applicant did not have a *bone fide* intention to commence use the Mark in Canada in association with *each* of the goods and services listed in the Application, the Opponent has not met its evidential burden.

[38] Accordingly, this ground of opposition based on section 30(e) of the Act is dismissed as well.

Compliance with section 30(i) of the Act

[39] The Opponent pleads that the Application does not conform to the requirements of section 30(i) of the Act because the Applicant’s statement that it is satisfied as to its entitlement to use the Mark in Canada is false, in view of the applicant’s knowledge of the Opponent’s rights and of the unlawfulness of said use, if any. More specifically, the Opponent pleads that such use would be unlawful for three reasons:

- i. it would encroach upon the proprietary rights of the Opponent as alleged in the statement of opposition;
- ii. it would direct public attention to the Applicant’s goods, services or business in such a way as to cause confusion in Canada between these goods, services or business and those of the Opponent, contrary to paragraph 7(b) of the Act; and/or
- iii. federal legislation, namely sections 26(2) and 22(3) of the *Tobacco Act*, SC 1997, c 13, prohibit the promotion of accessories used in the consumption of a tobacco product, including pipes, cigarette holders, lighters for smokers, matches and ashtrays, which display a tobacco product-related brand element.

[40] The material date for the analysis of a ground of opposition under 30(i) of the Act is the filing date of the application, which in this case is October 30, 2012 [see *Tower Conference Management Co v Canadian Exhibition Management Inc*, (1990) 28 CPR (3d) 428 at 432 (TMOB)].

[41] Section 30(i) only requires an applicant to declare itself satisfied that it is entitled to use its trademark in Canada in association with the goods and services described in the application. Mere awareness of an allegedly confusing trademark does not preclude an applicant from being satisfied of its own entitlement to use the trademark it is applying to register. Accordingly, where, as here, the required statement is included in the application, an opponent may only rely on section 30(i) in specific cases, such as where bad faith or fraud on the part of the applicant is alleged, or where federal legislation arguably prevents registration of the mark [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB); and *Interprovincial Lottery Corp v Western Gaming Systems Inc* (2002), 25 CPR (4th) 572 (TMOB)]. A section 30(i) ground pleading a federal statute will succeed where there is a *prima facie* case of non-compliance with that statute [*Interactiv Design Pty Ltd v Grafton-Fraser In.* (1998), 87 CPR (3d) 537 (TMOB) at 542-543].

[42] In the present case, there is no evidence of bad faith on the part of the Applicant. However, the Opponent has pleaded that federal legislation prevents registration of the Mark in three ways. I will address each of these in turn.

i) Encroaching on the Opponent's rights as alleged in the statement of opposition

[43] In the absence of further particulars, the scope of this ground of opposition must be determined by considering the statement of opposition as a whole. In this case, I interpret the pleading to be that the Mark encroaches on the Opponent's rights in the trademarks set out at Schedule B hereto, in the manners alleged under the grounds of opposition based on sections 16(3)(a) and 12(1)(d) of the Act.

[44] However, an allegation that use of the Mark would encroach upon the Opponent's rights under sections 16(3)(a) and 12(1)(d) of the Act is more appropriately raised directly under the sections 16(3)(a) and 12(1)(d) grounds of opposition. In the absence of further material facts, this

branch of the section 30(i) ground merely reiterates the pleadings in the sections 16(3)(a) and 12(1)(d) grounds; it does not contain sufficient material facts to constitute a separate ground of opposition. Such duplicative grounds of opposition are improper [see *Standard Products Inc v TRUMPF GmbH + Co. KG*, 2015 TMOB 199].

[45] In view of the foregoing, this branch of the section 30(i) ground is dismissed, as the opponent has failed to set out sufficient material facts to create a separate 30(i) ground of opposition.

ii) Section 7(b) of the Act

[46] The Registrar has previously considered a ground of opposition based on a combination of sections 30(i) and 7(b) of the Act to be valid, under the general principle that registration of a mark cannot be condoned if its use would violate Federal legislation [see *Bojangles' International LLC v. Bojangles Café Ltd.* (2004), 40 C.P.R. (4th) 553 (T.M. Opp. Bd.), at 561-562; *Institut national des appellations d'origine v. Pepperidge Farm Inc.* (1997), 84 C.P.R. (3d) 540 (T.M. Opp. Bd.), at 556 -557].

[47] Section 7(b) of the Act is a statutory codification of the common law action for passing off; a plaintiff may resort to this section if it possesses a valid and enforceable trademark, whether registered or unregistered [*Kirkbi AG v. Ritvik Holdings Inc.*, 2003 FCA 297, aff'd 2005 SCC 65]. The required elements of a passing off action pursuant to section 7(b) of the Act are (i) the existence of goodwill; (ii) deception of the public due to a misrepresentation; and (iii) actual or potential damage [see *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 SCR 120]. Therefore, to meet its initial burden under a ground of opposition pleading section 7(b) of the Act, an opponent must provide sufficient evidence to support the existence of these three elements.

[48] As the Opponent did not adduce any evidence of goodwill in its trademarks in Canada as of the filing date of the Application, the Opponent has not met its evidential burden. Accordingly, this branch of the section 30(i) ground of opposition is dismissed.

iii) Sections 26(2) and 22(3) of the *Tobacco Act*

[49] The Opponent also pleads that use of the Mark in Canada would be unlawful because sections 26(2) and 22(3) of the *Tobacco Act* prohibit the promotion of accessories used in the consumption of a tobacco product that displays a tobacco product-related brand element. The Opponent pleads that, while sections 22(2)(a) and 22(2)(c) of the *Tobacco Act* permit certain types of promotion of branded tobacco accessories, section 22(3) strictly prohibits all lifestyle advertising and advertising that could be construed on reasonable grounds to be appealing to young persons. The Opponent alleges that the Applicant's promotion of accessories such as the Smokers' Articles under the Mark would constitute lifestyle advertising and/or advertising which is appealing to young persons. The Opponent further alleges that its STUDIO word and design trademarks set out in Schedule B hereto are tobacco product-related brand elements and that its STUDIO brand element is contained entirely within the Mark.

[50] The Opponent has not introduced into evidence the sections of the *Tobacco Act* on which it relies. I am prepared to take judicial notice of the specific sections referenced in the statement of opposition, as they read at the material date of October 30, 2012, and I reproduce these sections of the *Tobacco Act* below:

- 22(2): Subject to the regulations, a person may advertise a tobacco product by means of information advertising or brand-preference advertising that is in
 - (a) a publication that is provided by mail and addressed to an adult who is identified by name; or
 - (b) [Repealed, 2009, c 27, s 11]
 - (c) signs in a place where young persons are not permitted by law.
- 22(3): Subsection (2) does not apply to lifestyle advertising or advertising that could be construed on reasonable grounds to be appealing to young persons.
- 26(2): No person shall promote an accessory that displays a tobacco product-related brand element except in the prescribed manner and form and in a publication or place described in paragraphs 22(2)(a) and (c).

[51] However, in the absence of further evidence or argument on the interpretation of these sections, I find the Opponent has not made a *prima facie* case that, as of October 30, 2012, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in view of the provisions of the *Tobacco Act*.

[52] First, the provisions of the *Tobacco Act* cited in the pleadings only relate to “promotion” of accessories. However, it is trite law that display of a trademark in advertising generally does not constitute use of that trademark in association with goods [*BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255, 60 CPR (4th) 181 (FCA)]. The Opponent has not established that such legislative provisions governing the promotion of goods are relevant to the issue of whether an applicant could have been satisfied of its entitlement to *use* a trademark in association with such goods [for a similar conclusion, see *Imperial Tobacco Canada Ltd v Dickson*, (2016), 143 CPR (4th) 29 (TMOB)].

[53] Second, the Opponent has furnished no evidence that the Applicant’s promotion of the Smokers’ Articles would constitute lifestyle advertising or advertising which is appealing to young persons. I am not prepared to draw any inferences in this respect from the evidence of how the DVDs and Blu-ray™ discs have been promoted and branded, since there is no evidence that other goods would necessarily be promoted or branded in a similar manner. Even if I accept that the Mark will be used in association with *films* that appeal to young persons, this does not necessarily mean that use of the same Mark on a Smokers’ Article would fall within the definition of “advertising which is appealing to young persons” under the *Tobacco Act*.

[54] Third, the Opponent has furnished no evidence or argument as to the interpretation of the term “tobacco product-related brand element” in the *Tobacco Act*. In particular, there is no evidence or argument from the Opponent as to whether a tobacco company’s registration of the trademark STUDIO for “cigarettes” turns a movie studio’s trademark and trade name containing that word into a “tobacco product-related brand element” when it is displayed on accessories for consuming tobacco. Although I am prepared to take judicial notice of the text of the specific sections of the *Tobacco Act* referenced in the statement of opposition, I do not consider it to be an appropriate exercise of the Registrar’s discretion to search for interpretive aids to assist the Opponent in applying those provisions to meet its burden. The Registrar’s expertise does not extend to the interpretation and application of the *Tobacco Act*; it is up to the Opponent to establish how this legislation enables it to make a *prima facie* case.

[55] As the Opponent has not met its initial burden in respect of this branch of the section 3(i) ground of opposition, it is dismissed as well.

GROUND OF OPPOSITION BASED ON CONFUSION SUMMARILY DISMISSED

[56] The grounds of opposition raised under sections 16(1)(a) and 2 of the Act are summarily dismissed for the reasons that follow.

Entitlement to registration under section 16(3)(a) of the Act

[57] The Opponent pleads that the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(a) of the Act because, at the date of filing the Application and at any relevant date, the Mark was confusing with a trademark that had been previously used in Canada or made known in Canada by the Opponent or its predecessors in title, namely the “STUDIO word mark and/or various STUDIO & design marks” set out at Schedule B hereto, in association with “tobacco products and/or tobacco product related accessories such as matches”.

[58] To meet its initial burden under this ground of opposition, an opponent must evidence the previous use of the trademark on which it relies (in accordance with sections 16(3) of the Act) and also that this trademark had not been abandoned at the date of advertisement of the applicant’s application (as stipulated in section 16(5) of the Act). In the present case, although claims of use are made in the trademark registrations identified at Schedule B hereto, the Opponent has not evidenced any actual use of those trademarks. Consequently, I dismiss the ground of opposition based on section 16 of the Act for the Opponent’s failure to meet its initial burden.

Distinctiveness of the Mark under section 2 of the Act

[59] The Opponent pleads that the Mark is not distinctive of the goods or services of the Applicant within the meaning of section 2 of the Act because the Mark “does not actually distinguish the goods or services in association with which [it] is used or proposed to be used by the applicant from the goods or services of others, including those of the opponent, nor is it adapted to distinguish them”.

[60] In the absence of further particulars, the scope of this ground of opposition must be determined by considering the statement of opposition as a whole. In this case, I interpret the pleading to be that the Mark is confusing with the trademarks referenced in the statement of

opposition (as set out at Schedule B hereto) in the manners alleged under the sections 16(3)(a), and 12(1)(d) grounds of opposition.

[61] In order to succeed under a section 2 ground of opposition, an opponent relying on a trademark must establish that, as of the filing date of the statement of opposition, this trademark had become sufficiently known to negate the distinctiveness of the applicant's mark [see *Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657]. In the present case, the Opponent has not filed any evidence of use or promotion of any of the trademarks referenced in its statement of opposition, nor has it filed evidence to suggest that any of these trademarks has otherwise become known in Canada to any extent. The Opponent has therefore failed to meet its evidential burden under this ground of opposition. Consequently, the ground of opposition based on lack of distinctiveness of the Mark is also dismissed.

GROUND OF OPPOSITION BASED ON REGISTRABILITY UNDER SECTION 12(1)(D) OF THE ACT

[62] The determinative issue in this proceeding is whether the Mark is registrable under section 12(1)(d) of the Act. The Opponent pleads that it is not, by reason of it being confusing with the seven registered trademarks set out at Schedule B hereto (Opponent's Registrations). Ms. Goudreau's second affidavit contains printouts of the particulars for the Opponent's Registrations.

[63] The relevant date for the analysis of this ground of opposition is the date of the Registrar's decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[64] The Opponent's initial burden with respect to this ground is met if one or more of the registrations relied upon are in good standing at the date the Registrar's decision. The Registrar has discretion to check the Register in this respect [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Having exercised that discretion, I confirm that all of the Opponent's Registrations are extant.

[65] The Opponent having met its evidential burden, the onus is now on the Applicant to satisfy the Registrar, on a balance of probabilities, that the Mark is not likely to cause confusion with any of the trademarks in the Opponent's Registrations.

The test for confusion

[66] The test for confusion is outlined in section 6(2) of the Act, which stipulates that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[67] This test does not concern confusion of the marks themselves, but rather confusion as to whether the goods and services associated with each of the trademarks come from the same source. It is described in the following terms by Justice Binnie in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, at paragraph 20:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [applicant's mark], at a time when he or she has no more than an imperfect recollection of the [opponent's] trademarks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[68] Some of the surrounding circumstances to be taken into consideration when assessing the likelihood of confusion between two trademarks are set out in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods, services, or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Veuve Clicquot, supra*; *Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22; *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27].

[69] In my opinion, comparing the Mark and the Opponent's word mark STUDIO registered under no. TMA260,119 (STUDIO Trademark) will effectively decide the section 12(1)(d) ground of opposition. If confusion is not likely between the Mark and the STUDIO Trademark, then it will not be likely between the Mark and any of the other registered trademarks pleaded by the Opponent.

[70] I reach this conclusion despite the fact that (i) some of the Opponent’s Registrations feature the word STUDIO above a horizontal line (*e.g.* TMA775,661) or above an arc (*e.g.* TMA644,241) and (ii) the evidence of Ms. Goudreau and Ms. Aubin discussed above shows the Mark underlined by a shallow arc when displayed in the Horizontal Logo. Factors such as the branding context in which a trademark is used may be relevant in a passing off action, but they are not to be considered under a section 12(1)(d) ground of opposition, which concerns the effect of the applied-for mark itself [see *Reno-Dépôt Inc v Homer TLC Inc*, 2010 COMC 11; *Groupe Fruits & Passion Inc.*, 2007 CarswellNat 2319 (TMOB)]. In the present case, the Applicant is not seeking to register the Mark together with an arc design and thus the presence of an arc design in some of the Opponent’s Registrations does not strengthen the Opponent’s case.

[71] I will therefore focus my discussion on registration no. TMA260,119, for the STUDIO Trademark.

Degree of resemblance between the trademarks

[72] As indicated by the Supreme Court of Canada in *Masterpiece, supra*, the degree of resemblance between the trademarks at issue will often be the most significant factor in the confusion analysis. The preferable approach to assessing resemblance is to begin by determining whether there is an aspect of each trademark that is “particularly striking or unique” [*ibid.* at para 64]. The trademarks must be assessed in their entirety and not dissected for minute examination; however, it is still possible to focus on particular features of each trademark that may have a determinative influence on the public’s perception of it [*United Artists Pictures Inc v Pink Panther Beauty Corp* (1998), 80 CPR (3d) 247 (FCA)]. In this respect, the first portion of a trademark is generally considered to be the most important for the purpose of distinction [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)]. However, when a portion of a trademark is a common descriptive or suggestive word, its importance diminishes [see *Merial LLC v Novartis Animal Health Canada Inc.* (2001), 11 CPR (4th) 191 (FCTD)].

[73] In the present case, the striking aspect of the STUDIO Trademark is the fact that it consists of the single word STUDIO, whose meaning does not have any obvious connection with

the goods covered by the Opponent’s registration, namely “cigarettes”. As for the Applicant’s Mark, the parties disagree on its most striking aspect and the degree to which it resembles the STUDIO Trademark.

[74] On one hand, the Opponent submits that the word STUDIO dominates the Mark and, by virtue of being a familiar word, attracts more attention than the GHIBLI element. The Opponent also underscores that a registration for the Mark would permit the Applicant to use the words STUDIO GHIBLI in any size and with any style of lettering, color, design, or relative emphasis [per *Masterpiece, supra*, at paras 55–58]. Thus, having incorporated the STUDIO Trademark in its entirety into the Mark, the Applicant may decide to highlight the word STUDIO, while giving GHIBLI less prominence. The Opponent submits that this results in a high degree of resemblance between the marks.

[75] On the other hand, the Applicant submits that the particularly striking or unique aspect of the Mark is the word GHIBLI, which stands out as a highly unusual term, being either coined or in a foreign language. In support, the Applicant notes how, on cross-examination Ms. Aubin spontaneously referred to the Applicant Studio Ghibli as “Ghibli” [at Q28, confirming that she is a “big fan of Japanese animation” with, “Yes, I have most of Ghibli’s things”]. The Applicant submits that STUDIO, by contrast, is a common word that would be perceived as generic by the public, because it simply describes the Applicant’s business, which specializes in animated movies. At the oral hearing, the Applicant submitted that, for these reasons, all the brand value in the Mark is in the word GHIBLI. In the Applicant’s submission, there is therefore a very low degree of resemblance between the parties’ trademarks and no basis for consumers to make a mental connection between them.

[76] I am prepared to accept the heading “DISNEY PRESENTS A STUDIO GHIBLI FILM” and the credits for “STUDIO GHIBLI” and “A STUDIO GHIBLI Production” on the cardboard sleeves for the Applicant’s films depicted at Exhibit 2 and 4 to the First Goudreau Affidavit as evidence that the Applicant is a movie studio and identifies itself as such. However, I am not prepared to infer that the Mark displayed on Smokers’ Articles would be recognized as the name of a movie studio, as there is no evidence that the average consumer of Smokers’ Articles has been exposed to the Mark, on films or otherwise, to any significant extent. Accordingly, I am not

prepared to find that the word STUDIO in the Mark would suggest any particular type of studio to the average consumer.

[77] Nevertheless, I agree with the Applicant that STUDIO, being an ordinary dictionary word, is less striking than GHIBLI, an unusual word which, as such, would tend to attract more attention, visually, aurally, and conceptually.

[78] When the marks are taken in their entireties, I consider any meaning conveyed by the STUDIO Trademark to be the ordinary meaning of a “studio” in general, being a place where some form of art is practiced or a type of apartment. By contrast, the Mark conveys the idea of a specific studio named “GHIBLI”, with STUDIO being the generic element and GHIBLI being the studio’s distinctive name. Thus the overall impression created by each trademark is different.

[79] The Opponent is correct that a registration for the Mark would permit the Applicant to use it with greater emphasis on the word STUDIO. Such potential uses of an applicant’s trademark must be considered [*Masterpiece, supra*, at para 59]. However, in my view, any additional emphasis to be placed on the word STUDIO would have to be substantial for the ordinary word STUDIO to become more striking than the distinctive element GHIBLI, or for the combination STUDIO GHIBLI to resemble the single word STUDIO to a significant degree. The test for confusion is not whether confusion is possible but rather whether confusion is likely on a balance of probabilities. In the present case, I do not consider it likely that the Applicant would place such a large amount of additional emphasis on the generic portion of its trademark relative to its distinctive element..

[80] Accordingly, I find that when the marks are considered as a whole, although the first element of the Mark is identical to the STUDIO Trademark, the addition of the distinctive word GHIBLI, to create a two-word trademark, differentiates the two trademarks marks in appearance, sound, and ideas suggested. Overall, my conclusion is that there is a point of resemblance between STUDIO and STUDIO GHIBLI but that, as a matter of first impression, the degree of resemblance between the trademarks considered in their entireties is low.

[81] Therefore, this factor favours the Applicant.

Inherent distinctiveness and the extent to which the trademarks have become known

[82] Although STUDIO is an ordinary dictionary word, I find the STUDIO Trademark to be inherently distinctive, as it is arbitrary, having no readily apparent meaning in relation to the goods covered by the Opponent's registration, namely cigarettes.

[83] The Applicant submits that the STUDIO Trademark has a low degree of inherent distinctiveness because it is a common word. In support, the Applicant draws attention to the affidavit of Ms. Owens, which provides the results of two searches of the Canadian trademarks register that she conducted on April 11, 2017 (discussed in more detail below, as an additional circumstance). The Applicant claims the search results show "many different owners of the mark STUDIO for various different goods and services" [Written Argument, para 50].

[84] However, distinctiveness must be assessed in the context of the goods and services in question [*McDowell v Laverana GmbH & Co KG*, 2017 FC 327]. Thus evidence of third-party trademark registrations with a common element is only significant where the registered marks are commonly used in the market in question [*ibid.*].

[85] In the present case, the Applicant has not directed my attention to any registrations or applications covering goods in the field of cigarettes or Smokers' Articles. Therefore, even if I had before me evidence that the marks on the register are in actual use, I would not be able to conclude that the word STUDIO is common in trademarks in the Opponent's field. As such, the state of the register does not detract from the inherent distinctiveness of the STUDIO Trademark.

[86] With respect to the Mark, the word STUDIO has a clear meaning in relation to certain of the entertainment Services, such as "production and distribution of television entertainment; film production; movie studios"; "production of radio and television programs"; and "arranging and producing of musical and TV shows". However, it is followed by the word GHIBLI, which appears to be a coined or possibly foreign word, with no obvious meaning in English or French and no apparent connection either to the aforementioned entertainment services or to any of the other goods and services listed in the Application, including the Smokers' Articles. I find that the Mark as a whole conveys the idea of a studio named or designated "GHIBLI" and that, as such, the Mark possesses a higher degree of inherent distinctiveness than the STUDIO Trademark.

[87] Distinctiveness can be enhanced through use and promotion [see *Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238 (FCTD); *GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD)]. In the present case, neither party filed evidence of use or promotion of its own trademark.

[88] Although the Opponent's Registration for the STUDIO Trademark indicates that a declaration of use was filed on February 26, 1981, such a claim in itself is not evidence that the trademark has since been used continuously or become known to any significant extent [see *Entre Computer Centers Inc v Global Upholstery Co* (1991), 40 CPR (3d) 427 (TMOB)].

[89] The Applicant draws attention to Internet Archive printouts in Ms. Aubin's affidavit showing that, on July 5, 2010, *www.amazon.ca* listed three STUDIO GHIBLI DVDs as "Top sellers in Anime & Manga" [Aubin paras 3-4 & Exhibit CA-2] and that, as of July 1, 2010, and December 2, 2011, respectively, a pair of STUDIO GHIBLI DVDs available on the site had received many positive reviews (over 200 and over 100 respectively), according to the counts provided on the exhibited webpages [Aubin Exhibits CA-3, CA-5 & Q43-Q57]. However, aside from a couple of Canadian product reviews appearing on the site [Aubin Exhibits CA-3, CA-4], there is no evidence to suggest that any Canadians ever visited the webpages attached to Ms. Aubin's affidavit or used them to order the depicted films. Indeed, some of the product reviews indicate that they are from the United States, which suggests the webpages also reflect U.S. activity, despite the *.ca* address. For this reason, I am not prepared to infer from the site's "Top sellers in Anime & Manga" list that the three listed STUDIO GHIBLI films are necessarily Amazon's top sellers *in Canada*. Nor am I prepared to infer that the number of reviews indicated reflects any particular proportion of reviews *from Canada*.

[90] The remaining evidence of the Mark being known in Canada concerns only Ms. Goudreau's familiarity with the Mark, which is insufficient for a conclusion that the Mark has become known in Canada to any extent.

[91] Overall, I find that this factor favours the Applicant as the Mark is more inherently distinctive than the STUDIO Trademark.

Length of time the trademarks have been in use

[92] As noted above, although the Opponent's Registration for the STUDIO Trademark indicates that a declaration of use was filed on February 26, 1981, the Opponent has not filed any evidence of such use, and the registration itself is not evidence of the trademark's continued use since the date claimed. As for the Applicant's Mark, there is no evidence of use of the Mark in Canada in association with any of the Goods or Services listed in the Application. In the circumstances, I do not find that this factor favours either party.

Nature of the parties' goods, services and trades

[93] When considering the nature of the goods and services and the nature of the parties' trades, it is the statement of goods and services as defined in the applicant's application and the statement of goods and services in the opponent's registration that must be assessed, having regard to the channels of trade that would normally be associated with such goods and services [see *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); and *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export* (1986), 12 CPR (3d) 110 (FCA)]. The statements must be read with a view to determining the probable type of business or trade intended by the parties, rather than all possible trades that might be encompassed by the wording; evidence of the parties' actual trades is useful in this respect [see *McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Alticor Inc v Nutravite Pharmaceuticals Inc*, 2005 FCA 269].

[94] In the present case, the STUDIO Trademark is registered for use in association with the goods "cigarettes". In my view, the only goods or services in the Application that are related to or may potentially overlap with "cigarettes"—in that they can be used in relation to smoking—are the "Smokers's Articles". Otherwise, the Application covers various entertainment services—including the service "movie studios"—and various goods that the Applicant describes in its written argument as "merchandising accessories".

[95] The Applicant submits that cigarettes would travel through completely different channels of trade than the Smokers' Articles. In this respect, the Applicant submits that cigarettes are

highly regulated products that are only sold in certain locations, hidden from general view, with restrictions on their advertising (a “dark market”).

[96] The Applicant further submits that movie studios, in contrast, are promoted on television and the Internet and sell their merchandise goods through retailers, for example, in shopping malls and online. The Applicant therefore submits that its goods and services would be traded through completely different channels than cigarettes and that there is nothing to suggest that even the Smokers’ Articles would be sold alongside cigarettes, as opposed to being sold alongside the Applicant’s other merchandise in shopping malls and online.

[97] However, there is no evidence of how cigarettes are actually promoted and sold in the “dark market”; of how Smokers’ Articles are generally promoted and sold in Canada; or of how the Applicant will promote and sell its particular Smokers’ Articles in Canada. Even if cigarettes must be sold hidden from view, there is no evidence to suggest that Smokers’ Articles would not be sold in the same establishments or even in proximity, whether hidden or in full view. Since the onus is on the Applicant to demonstrate that confusion is unlikely, I am not prepared to find, in the absence of evidence, that goods such as the Smokers’ Articles are not sold in the same channels as the related goods “cigarettes”.

[98] In view of the foregoing, the section 6(5)(c) and (d) factors favour the Opponent for the Smokers’ Articles and the Applicant for the remaining goods and services.

Additional surrounding circumstances:

[99] [90] In its written argument and at the oral hearing, the Applicant raised several additional surrounding circumstances, as follows.

State of the register evidence

[100] The affidavit of Gail Owens, a trademark searcher employed by the Applicant’s agent, introduces into evidence the results of two searches of the Canadian trademarks register that she conducted on April 11, 2017. The first search was for active trademarks consisting of the word STUDIO alone. It identified 14 registrations (one being for a composite word and design mark) and two applications that were at least advertised, in the names of 15 different owners. The

second search was for active trademarks consisting of the word STUDIO in combination with another word element, for use in association with “entertainment services and promotional items, clothing and the like” [para 3]. It identified nine registrations (two being for composite marks and one being for “STUDIO +”) and two applications that were at least advertised, in the names of ten different owners, including Ealing Studios Enterprises Limited, Sammu Studios Inc., Generation Studios Inc. and Studios Gogi Inc. Printouts of the search results are attached as exhibits to her affidavit.

[101] The Applicant submits that some of the registrations identified “are for similar goods, showing that the mark is entitled to a very narrow scope of protection” [Written Argument, para 50].

[102] It has been held that the common occurrence of a certain element in trademarks tends to cause purchasers to pay more attention to the other features of such trademarks and to distinguish between them by those other features [see *Polo Ralph Lauren Corp v United States Polo Assn* (2000), 9 CPR (4th) 51 (FCA); *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)]. Accordingly, a trader who uses a trademark that incorporates an element that is common to the trade cannot expect to receive a broad ambit of protection for that element.

[103] However, the Applicant has not identified *any* registrations for goods or services in the Opponent’s field of trade. Nor has the Applicant established that trademarks in other fields might be relevant to the impressions of a consumer encountering the Mark while also having a general recollection of the Opponent’s trademark.

[104] In the circumstances, I am not prepared to draw any inferences favorable to the Applicant on the basis of the exhibited search results. Accordingly, this factor is not a significant surrounding circumstance in the present case.

Results of examination

[105] The Applicant notes that many of the trademarks identified in Ms. Owens’ search are for goods or services that are identical to those in the Application. The Applicant provides the following examples:

Goods or services in third party registration	Matching goods or services in Application
STUDIO (TMA261,372): “ladies’ jeans”	“pants, trousers”
STUDIO (TMA342,595): “ <i>chevalets</i> ” [easels]	“easels”
STUDIO (TMA592,352): “scrapbooks”	“albums, booklets”
STUDIO & Design (TMA692,069): “ballpoint pens, pine pencils, lead pencils, fountain pens, grip pens, erasers, 3 ring binders”	“ball-point pens, pencils, pens, erasers, binders”
STUDIO + (TMA574,092): “sacs” [bags]; “ <i>divertissement nommé émissions de télévision ou de radio</i> ” [entertainment namely television or radio programs]	“shopping bags; travel bags”; “production and distribution of television entertainment”

[106] In the Applicant’s submission, the fact that none of these trademarks were cited during prosecution of the Application means that the Mark has already been “deemed fit to coexist without confusion” with trademarks consisting of the word STUDIO on its own for use in association with identical goods [Written Argument, para 57]. The Applicant submits that it is “even more certain” that the Mark can coexist with the STUDIO Trademark, given that the Smokers’ Articles in the Application are distinct goods from the Opponent’s “cigarettes” [*ibid.*].

[107] However, it has often been said that this Board is not in a position to explain examiners’ findings, in part because the onus is different at the examination stage, where the Registrar needs to be satisfied that a trademark is not registrable to refuse it under section 37 of the Act [see *Simmons IP Inc v Park Avenue Furniture Corp* (1994), 56 CPR (3d) 284 (TMOB); and *Proctor & Gamble Inc v Morlee Corp* (1993), 48 CPR (3d) 377 (TMOB)]. Conversely, in an opposition proceeding under section 38 of the Act, the application must be refused unless the Registrar is satisfied, on a balance of probabilities, that the trademark is registrable [see *Joseph E Seagram & Sons, supra*; *Christian Dior SA v Dion Neckwear Ltd*, 2002 FCA 29, 20 CPR (4th) 155]. Accordingly, a decision to advertise a trademark following examination is not a decision that the trademark is registrable; that determination must be made in the course of the opposition proceeding, taking into consideration the evidence and arguments of both parties [see *Carling Breweries Ltd v Molson Cos*, 1984 CarswellNat 83 (FCTD)].

[108] Therefore, I do not consider the examiner's decision to advertise the Mark to be a surrounding circumstance that assists the Applicant.

The dark market for cigarettes

[109] The Applicant submits that the Opponent's goods, namely cigarettes, are highly regulated products that are only sold in certain locations, hidden from general view, with restrictions on advertising (*i.e.* in a "dark market") whereas movie studios like the Applicant are highly public and are promoted on television, on the Internet, and in popular culture, selling their merchandise goods in shopping malls and online. The Applicant therefore submits that non-smokers would rarely be exposed to the STUDIO Trademark, and appears to imply that their exposure to the Mark would be considerably higher, militating against a likelihood of the Mark being confused with the rarely seen STUDIO Trademark. At the oral hearing, the Applicant further submitted that, if one accepts that the *Tobacco Act* provisions cited above prohibit advertising a tobacco product by means of tobacco accessories that display a tobacco brand, then consumers would not expect to see the Opponent's STUDIO Trademark on Smokers' Articles.

[110] However, there is no evidence of how cigarettes and tobacco accessories are actually sold and promoted in the "dark market"; limited evidence of the extent to which the Applicant's movie studio has been promoted or has sold merchandise in Canada; and no evidence to suggest that purchasers of Smokers' Articles are in fact rarely exposed to trademarks associated with cigarettes, even in a "dark market". In the absence of any evidence on these points, this surrounding circumstance does not assist the Applicant.

Extension of movie studio brands to merchandising

[111] The Applicant submits that it is common in the movie industry to extend the use of movie trademarks and movie studio trademarks to a range of merchandise beyond the studios' core goods, STAR WARS and DISNEY being prime examples. As noted by the Applicant, at least one Canadian fan of Japanese animation has heard the director of the STUDIO GHIBLI films being referred to as "the Walt Disney of Japan", and she also agreed during cross-examination that "what Walt Disney does for animation in North America is similar to what Studio Ghibli does for Japan" [Goudreau Q39-Q43]. The Applicant submits that consumers will therefore

readily make a connection between the source of STUDIO GHIBLI branded goods and services and the Applicant's established reputation for DVD movies.

[112] However, I am not prepared to accept that consumers would likely view the Mark applied to the Smokers' Articles as an extension of the Applicant's movie brand. I would be prepared to accept that a movie brand might be extended from DVDs to certain forms of merchandising. However, in the absence of evidence on the nexus between movies or movie studios and Smokers' Articles, I am not prepared to make any inferences favourable to the Applicant with regard to this specific type of extension.

[113] In any event, there is very limited evidence of the *extent* of the Applicant's promotion of the Mark in Canada, in association with movies or otherwise. In the circumstances, I am not prepared to conclude that a prospective purchaser encountering the Mark on Smokers' Articles would be likely to recognize it as an extension of the Applicant's movie brand.

[114] Accordingly, this factor does not assist the Applicant either.

Jurisprudence against unfairly monopolizing words common to a trade

[115] The Applicant submits that finding a likelihood of confusion in the present case would be tantamount to granting the Opponent, who has only registered the word STUDIO for use as a trademark in association with cigarettes, a monopoly capable of preventing movie studios from using their own distinctive names, which often include the word "studio", to sell merchandise such as, for example, games, clothes, matches and pipes. The Applicant submits that such a result would effectively prevent any movie studio's trademark that contains the generic term "studio" from being used in on promotional items such as lighters and ashtrays.

[116] Indeed, in *General Motors Corp v Bellows*, [1949] SCR 678, the Supreme Court of Canada held that, where a party has reached inside the common trade vocabulary for a word mark and seeks to prevent competitors from doing the same thing, the range of protection to be given should be more limited than in the case of an invented or unique or non-descriptive word [at para 28]. The following passage from *Office Cleaning Services Ltd v Westminster Window & General Cleaners, Ltd* (1946), 63 RPC 39 at 41 (HL) is reproduced with approval [*ibid.*]:

It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must run unless the first user is allowed unfairly to monopolize the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.

[117] However, in the absence of evidence that movie studio merchandising typically extends to Smokers' Articles, I am unable to conclude that the Opponent has reached inside the common trade vocabulary for such goods or adopted words "in common use for his trade". Therefore, this factor does not assist the Applicant, at least with respect to the Smokers' Articles.

Conclusion with respect to confusion

[118] For the Applicant to meet its legal burden, the Registrar must be reasonably satisfied that, on a balance of probabilities, the registration sought is unlikely to create confusion; the Registrar need not be satisfied beyond doubt that confusion is unlikely [*Christian Dior, supra*]. As noted above, the question to be asked is whether a casual consumer having only a general recollection of the opponent's trademark would be likely to think, as a matter of first impression, that the applicant's goods and services might come from the same source. It is also settled law that where it is likely to be assumed that the applicant's goods or services are approved, licensed, or sponsored by the opponent, so that a state of doubt and uncertainty exists in the minds of the purchasing public, it follows that the trademarks are confusing [*Glen-Warren Productions Ltd v Gertex Hosiery Ltd* (1990), 29 CPR (3d) 7 (FCTD); see also *Conde Nast Publications Inc v Gozlan Brothers Ltd* (1980), 49 CPR (2d) 250 (FCTD); and *Courvoisier International SA v Paragon Clothing Ltd* (1984), 77 CPR (2d) 168 (TMOB)].

[119] Following my analysis of all the relevant factors, I am reasonably satisfied that, on a balance of probabilities, the Mark is unlikely to create confusion with the STUDIO Trademark. Although certain factors favour the Opponent, and I am not prepared to find that the Mark is known in Canada to any extent—as a movie studio brand or otherwise—I find that the differences between the marks at issue are sufficient to avoid a likelihood of confusion, despite the relationship between the Opponent's goods "cigarettes" and the Applicant's Smokers' Articles. In this respect, given the inherent distinctiveness of the Mark and the low degree of

resemblance, I find it unlikely that a causal consumer, even having only an imperfect recollection of the STUDIO Trademark, would be likely to wonder whether Smokers' Articles sold in association with the trademark STUDIO GHIBLI are from the same source as the Opponent's STUDIO cigarettes, either as complementary goods or as goods in some way approved of or licensed by the Opponent. Confusion is even less likely with respect to the remaining goods and services in the Application.

[120] As the Applicant has met its legal burden, the section 12(1)(d) ground of opposition is dismissed.

DISPOSITION:

[121] In view of all the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Oksana Osadchuk
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A


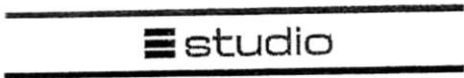
Goods

(1) Computer games software; cartridges, cassettes, cards and discs carrying pre-recorded computer video game programs; automatic and coin-operated amusement machines; compact discs pre-recorded with sound and images; mobile phones; exposed films; slides; tapes pre-recorded with sound and images; downloadable image files; alarm clocks; badges, brooches, ingots, necklaces, pins of precious metal; earrings; coins; charms; tie clips; tie pins; watches; watch bands; ball-point pens; pencils, carbon papers; albums; bookmarkers; easels; books; magazines; calendars; booklets; maps; handkerchiefs of paper; hygienic paper; toilet paper; folders of paper; face towels of paper; apparatus for mounting photographs; graphic reproductions; photographs, packing papers; pastels; writing pads; pens; photograph stands; erasers; rubber office stamps; inks; binders; shopping bags; travel bags; bags for campers; rucksacks; briefcases; leather bands; plush bands; leather belts, plush belts; key cases; straps of leather; wallets; purses; saddlery; suitcases; umbrellas; umbrella covers; cushions; mattresses; pillows; chairs; beds; cases; boxes, bins of wood or plastic; clothes-pins; decoration curtains; hangers; desks; magazine racks; mirrors; nameplates (not of metal); picture frames; sleeping bags for camping; spoons for kitchen use; baby baths; cooking pots; dishes (not of precious metal); dishwashing brushes; cleaning brushes; brushes for footwear; dust bins; dusting cloths; dusters; garbage cans; combs; comb cases; dishes for soaps; buckets; powder puffs; toilet brushes; tea caddies (not of precious metal); tea pots (not of precious metal); drinking flasks; napkin holders; shoe horns; soap boxes; watering cans; vacuum bottles; trash cans; chopsticks; works of art of porcelain, terracotta or glass; cellars for sugar or salt; saucers (not of precious metal); bath linen; bed blankets; cotton fabrics; face towels of textile; sheets; handkerchiefs of textile; table cloths; bed covers; tapestry; wall hangings; mattress covers; mitts; pillowcases; quilts; rugs; shams; bed linen; pants; aprons; swimsuits; caps; overcoats; topcoats; jackets; body linen; jerseys; jumpers; gloves; cuffs; ear muffs; neckties; parkas; pyjamas; scarfs; dress shirts; socks; suits; trousers; vests; boots for sports; sandals; slippers; sports shoes; artificial flowers; sewing needles; badges, brooches, buckles for wear; sewing boxes; buttons; artificial flowers; hair bands; hair nets; hair ornaments (not of precious metal); ribbons; fastenings for suspenders; plastic toys; metal toys; rubber toys; plastic figures; metal figures; building blocks; toy pistols; practical jokes; spinning tops; toy masks; toy action figures; puppets; stuffed toys; checker games; darts; dice; doll's beds; dominoes; table football games; marbles for games; table games; Christmas tree stands; chess games; Christmas tree ornaments; lighters for smokers, matches, tobacco pipes, ashtrays not of precious metal, cigarette cases.

Services

(1) Amusement parks; rental of cine-films; correspondence courses; providing education information; production and distribution of television entertainment; film production; movie studios; organisation of art exhibitions; party planning; direction of musical and TV shows; publication of books; production of radio and television programs; rental of video tapes; arranging and producing of musical and TV shows; planning of game party.

SCHEDULE B

Registration No.	Trademark	Representation	Registered Goods	Use (D/U)
TMA260,119	STUDIO		Cigarettes	(Feb 26, 1981)
TMA643,923	STUDIO & Design		Cigarettes	May 2003
TMA643,849	STUDIO & Double Arc Design		Cigarettes	(June 8, 2005)
TMA644,241	STUDIO & Arc Design		Cigarettes	(June 21, 2005)
TMA775,661	STUDIO & Design		Cigarettes	May 2009
TMA806,705	STUDIO & Design		Cigarettes	May 2010
TMA797420	STUDIO & Stripe Design		Cigarettes	(April 14, 2011)

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2020-07-16

APPEARANCES

No one appearing

FOR THE OPPONENT

Daniel Anthony

FOR THE APPLICANT

AGENTS OF RECORD

ROBIC

FOR THE OPPONENT

Smart & Biggar

FOR THE APPLICANT