

SECTION 45 PROCEEDINGS

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1. Overview of Section 45 Proceedings

The Canadian *Trade-marks Act*, R.S.C. 1985, c. T-13 ("the *Act*") has a summary proceeding, described in section 45, that provides a handy mechanism for removing marks from the Register that are no longer in use, unless special circumstances excuse such non-use. The provisions for non-use cancellation proceedings are found in section 45 of the *Act*, and described in Trade-marks Office practice notices issued from time to time. The current notice is dated December 12, 2005 (http://strategis.ic.gc.ca/sc_mrksv/cipo/tm/tm_notice/tmn2005-12-21-e.html), but will be replaced by a new practice notice that comes into effect as of September 14, 2009 (<http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr01944.html>; first published July 7, 2009), hereinafter referred to as the "new Practice Notice".

Once a registration is three years old, any person (whether interested, aggrieved or not) may make a written request to the Registrar, accompanied by the required fee, that a notice be sent to a trade mark registrant requiring it to submit evidence of use of the trade mark (a "Notice"). The current fee is \$400.00 per notice.

The Registrar may refuse to send such a Notice, but only if he has good reasons not to send it (new Practice Notice, *supra*, at par. II.1.3). The new Practice Notice cites the following as good reasons:

- (a) the trade mark registration is already the subject of a section 45 proceeding pending before the Registrar or on appeal before the Federal Court of Canada;
- (b) the request is within three years of the date of issuance of a previous section 45 notice in cases in which the proceedings led to a final decision under section 45 of the *Act*; and
- (c) the Registrar considers that the request is frivolous or vexatious.

The Registrar has no authority to issue refunds to a requesting party if the Registrar determines not to issue a Section 45 Notice.

The Registrar also has the power to issue a Notice on its own initiative under the *Act*. It should be noted that the Trade-marks Office once had a practice of issuing a notice requiring evidence of use at the time a mark had to be renewed under section 46 of the *Act* (i.e., every 15 years). The new Practice Notice indicates that, even though the Registrar may issue a notice at any time, the Registrar will "generally" not issue a Section 45 Notice in situations where the trade mark has been on the Register for less than three years, particularly to ensure compliance with Article 19 of the *Agreement on Trade-Related Aspects of*

Intellectual Property Rights ("TRIPS Agreement") (new Practice Notice, *supra*, at par. II.2). So far, the meaning of "generally" has not been considered. Previously, for example, a request could be made prior to a registration's third anniversary, if the owner was bankrupt and evidence of the bankruptcy was filed with the request for issuance of the Notice. Whether this will continue to be the case is unclear.

If the Registrar decides to issue the Notice, and the registered owner has an office or place of business in Canada, the Notice is sent to the registered owner's Canadian address/place of business, as recorded on the Trade-marks Register with a copy to the requesting party, and a courtesy copy goes to the registered owner's recorded representative for service in Canada. If the registered owner has no office/place of business in Canada, the Notice goes to the registered owner's representative for service in Canada as well as the requesting party, and a courtesy copy goes to the registered owner's office or place of business, as recorded on the Trade-marks Register. The Registrar is not responsible for correspondence not received by the registered owner or representative for services where the Registrar has not been notified of a change of address. However, if mail to a registered owner with no address/place of business in Canada is returned, the Registrar will send a notice pursuant to section 42 of the Act, requesting the appointment of another representative.

The relevant time period for showing use is the three years that precede the date of the Notice. The trade mark owner has three months to file evidence by affidavit or statutory declaration, showing that it has used the trade mark during the relevant period, although it may request an additional extension of time (three months under current Trade-marks Office practice, and four months with sufficient reason(s) under the new Practice Notice). Any additional extensions will, under the new Practice Notice, only be granted if there are special circumstances justifying the extension. Such circumstances do not include settlement negotiations between the parties (see the new Practice Notice at IV.2. for examples of what the Registrar may consider a circumstance justifying a further extension of time).

If the trade mark has not been in use during the relevant term, the trade mark owner must file evidence indicating the date when the registered trade mark was last used in Canada with reasons for the absence of use since that date. The same time limits apply.

A request for a retroactive extension of time may be granted if the conditions set out in s. 47(2) of the *Act* are met, including the requirement that the trade mark owner's failure to file an affidavit or request the extension of time was not reasonably avoidable. Decisions involving the granting of retroactive extensions of time to file evidence after the filing of submissions by the requesting party include Bereskin & Parr v. Cie de Lingerie Provinciale Ltée (2005) 48 C.P.R. (4th)

298 (T.M.H.O., per Savard), and Harold Ashenmil v. 1161428 Ontario Inc. (unreported) [2004] T.M.O.B. No. 84 (May 13, 2009) (T.M.H.O., per Carrière).

The Notice will apply to all the wares and services in the registration, unless the registration has, by amendment, added new wares/services in the last 3 years. In such a case, the amended wares/services are exempt from the Notice (as clarified in the new Practice Notice, *supra* at par. II.1.2.; Warnaco Inc. v. T. Eaton Holdings Ltd. (1998), 87 C.P.R. (3d) 354 (T.M.H.O., per Savard) and Carter-Wallace Inc. v. VLI Corp. (1992), 44 C.P.R. (3d) 141 (T.M.H.O., per Savard)). Similarly, where the wares have been further particularized pursuant to a s. 44 proceeding subsequent to the date of the s. 45 notice, and, by analogy any other amendment, the registrant, in responding to the s. 45 notice, need only show use with respect to wares as they were the date the of notice: Gesfor Aktiengesellschaft v. Boulangerie Pom Limitée (2005), 51 C.P.R. (4th) 476 (T.M.H.O., per Savard).

No evidence from the requesting party is permitted, nor may the requesting party cross-examine the registrant's affiant (s. 45(2)) and see Burke-Robertson v. Carhartt Canada Ltd. (1994), 56 C.P.R. (3d) 353 (F.C.T.D., per McGillis J.) However, the requesting party may file written submissions, to which the registrant may reply in writing, and each party may request an oral hearing. According to the new Practice Notice, the requesting party will have four months to make its representations, and then the Registrar will notify the registrant that it has four months to respond, or to notify the Registrar that no written representations will be filed. The Registrar will generally not grant extensions, even where the parties consent or are pursuing settlement negotiations.

Requests for an oral hearing must be filed in writing within one month following the final deadline for the submission of the registered owner's written representations. Such correspondence must specify whether: (a) the representations will be in person or by telephone; (b) the submissions will be in English or French; and (c) simultaneous translation will be required if the other party makes representations in the other official language. Further, parties are required to provide one another and the Registrar by facsimile and at least 5 working days prior to the hearing date with (1) their list of case law; and (2) copies of any unreported decisions to be relied upon at the hearing.

If necessary, cases will only be rescheduled once. Changes to the scheduled hearing have to be made as soon as possible, and no less than three weeks prior to the scheduled hearing by telephoning the Registrar and sending written confirmation of proposed changes. The Registrar will not grant postponements of scheduled hearings. A hearing will be cancelled if both parties consent to its cancellation. The Registrar will then proceed to issue its decision, unless the section 45 proceeding has been discontinued on consent or the registration has been voluntarily abandoned.

It is then up to the Registrar to decide, based on the evidence presented by the trade mark owner and the written representations of the parties, whether the mark is in use or the requisite “special circumstances” exist to excuse the non-use for some or all of the wares or services (s. 45(3)). The Registrar has three options in a Section 45 proceeding: the Registrar can elect to maintain the registration, expunge the registration, or amend the registration (i.e., delete wares/services where no use of the trade mark is shown). A fourth option, occasionally seen in close cases, is for the Hearing Officer to maintain the registration, but issue a new Section 45 notice, which would require the registrant to resubmit more current evidence of use or reasons for non-use. However, the Federal Court of Appeal has recently said this practice “is to be discouraged” as it can have no other effect than “to put into question the soundness of the first decision.” (Spirits International N.V. v. Canada (Registrar of Trade-marks) [2007] F.C.J. No. 581 (per, Malone J.A.) (F.C.A.)). The Registrar does not however have the authority to redefine a statement of wares to more specific terms absent a finding of non-use (e.g., Marks & Clerk v. Copley Apparel Group Limited (2003), 27 C.P.R. (4th) 347 (T.M.H.O., per Savard)).

Once the Registrar has reached a decision on whether to expunge or amend the registration, notice of the decision, along with reasons therefore, must be provided to the trade mark owner and the requesting party (s. 45(4)). The Registrar is to act upon the decision if no appeal is taken. If an appeal is filed, he is to “act in accordance with the final judgment given in the appeal” (s. 45(5)). On appeal, new evidence can be filed by the registrant, and in fact, the registrant may file evidence even if none was filed before the Registrar.

The Registrar's scope of review is limited. The procedure set forth in section 45 of the Act is “intended to be...summary and expeditious” (Anheuser-Busch, Inc. v. Carling O’Keefe Breweries of Canada Ltd. (1982), 69 C.P.R. (2d) 136 at 142 (F.C.A.), per Heald, J.)). Non-use cancellation proceedings, as the courts have said, are not to be turned into substitutes for expungement actions found at Section 57 of the Act. The following quote by McNair J. in Phillip Morris Inc. v. Imperial Tobacco Ltd. (1987), 13 C.P.R. (3d) 289 at 293 (F.C.T.D.), is illustrative:

It is well established that the purpose and scope of s. 44 [now s. 45] is to provide a simple, summary and expeditious procedure for clearing the register of trade-marks which are not bona fide claimed by their owners as active trade-marks. The procedure has been aptly described as one for removing “deadwood” from the register. The section does not contemplate a determination on the issue of abandonment but rather simply places on the registered owner of the trade mark the onus of furnishing evidence of use in Canada or of special circumstances excusing non-user. The Registrar’s decision is not one that finally determines substantive rights but only whether the entry is liable to be expunged under s. 44 [s. 45] or not.

Issues such as ownership, distinctiveness, descriptiveness, abandonment, and overbreadth in the statement of wares or services are irrelevant under s. 45 cancellation proceedings, although that has not stopped parties from raising them.

Further, it is not incumbent on the Registrar, in s.45 proceedings, to evaluate whether the registered mark would be perceived as a trade-mark (United Grain Growers Ltd. v. Lang Michener (2001), 12 C.P.R. (4th) 89 (F.C.A, per Rothstein J.A., followed recently in Riches, McKenzie & Herbert v. Parissa Laboratories Inc. (2006), 59 C.P.R. (4th) 219 (T.M.H.O., per Sprung). But see also obiter comments in Bereskin & Parr v. Textron (unreported), [2007] T.M.O.B. 5 (January 11, 2007)(T.M.H.O., per Sprung) where TEXTRON being applied to the front of shirts was inferred to be for the purpose of identifying Bell Helicopter as a "Textron" company, rather for the purpose of distinguishing the registrant's clothing from the wares of others in the market-place.

A trade mark owner who maintains its registration in a section 45 proceeding may still face an expungement action under section 57 from the same party. No *res judicata* or similar preclusive effect attaches to the Registrar's decision if the nature of the proceeding differs (eg. expungement or infringement) (The Molson Companies v. Halter (1976), 28 C.P.R. (2d) 158 (F.C.T.D., per Gibson J.)).

2. Evidence in s. 45 Proceedings

(a) Introduction

If the registrant does file evidence, it must show use with respect to each of the wares/services (s. 45(1)), by filing suitable evidence in an affidavit or statutory declaration. Generally, the affidavit will come from an employee of the registrant, although other representatives may file evidence. The point is to address the issues of "use", as set out in s. 4 of the *Trade-marks Act*, and confirm, for each of the wares and services, that there was use within the relevant three year period. If there is no use, proper evidence excusing non-use must be filed. A trade mark owner's failure to respond will result in a decision of the Registrar to expunge the registration (s. 45(3)), subject to any appeal.

Justice McNair, in Phillip Morris Inc. v. Imperial Tobacco Ltd. (1987), *supra*, has provided the seminal statement of the nature of the evidence required for Section 45 proceedings:

If user is relied on then the evidence filed in response to the notice must "show" the use or, at least, sufficiently relate the facts from

which such use can be inferred. Mere statutory tracking in the nature of a bare statement that the registrant was currently using the trade mark in the normal course of trade in association with the wares is insufficient to establish user unless coupled with facts that are descriptively corroborative of the same. Evidence of a single sale, whether wholesale or retail, in the normal course of trade may well suffice so long as it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trade mark. Evidence in response to a s. 44 [s. 45] notice should be forthcoming in quality, not quantity, and there is no need nor justification for evidentiary overkill.

b) Showing Use

The Federal Court of Appeal decision in Aerosol Fillers Inc. v. Plough (Canada) Ltd. (1980), 53 C.P.R. (2d) 62 (F.C.A., per Thurlow C.J.), clarified that merely stating that the trade mark was in use is not sufficient. The trade mark owner must show that the mark was in “use” by describing such use in its evidence. Such use must be as defined in sections 2 and 4 of the Act.

(i) Defining Use

Section 2 of the Act defines use as “any use that by section 4 is deemed to be a use in association with wares or services.” Section 4 identifies means by which use is deemed:

- A trade-mark is deemed to have been used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any manner associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.
- A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.
- A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

Accordingly, generally for wares, use must be viewed in terms of showing a transfer, in the normal course of trade, with appropriate marking of the trade mark on wares or in some other way giving notice of association during the relevant time. For services, it is necessary to show use or display of the trade mark in the performance of the services. For both, the use must be in Canada, during the relevant time frame, and by the registrant or a properly controlled licensee.

(ii) Wares – Transfer of Property/Possession

Evidence of a transfer is normally shown by a combination of affidavit statements and suitable documentary proof, such as exhibits. The most common exhibits would be invoices that ideally refer to the registrant, the trade mark and the date. Invoices show a clear component of the transaction, namely a commercial transaction involving payment or exchange for the wares supplied (Molson Companies Ltd. v. Halter (1976), 28 C.P.R. (2d) 158 at 177 (F.C.T.D., per Gibson J.)). Another, broader, definition is found in Lin Trading Co. v. CBM Kabushiki Kaisha (1985), 5 C.P.R. (3d) 27 (T.M.O.B., per Troicuk) (aff'd (1987), 14 C.P.R. (3d) 32 and (1988), 21 C.P.R. (3d) 417), namely, requiring that the transfer be part of a dealing in the wares for the purpose of acquiring goodwill and profits from the goods.

In order for invoices bearing the trade mark to be useful as evidence, they must be shown to be associated with the wares at the time of the transfer of property or possession. However, the Registrar is open to infer this association where the invoice is sent to the same entity as the wares, or where it is sent C.O.D. (Sara Lee Corporation v. Naylor (unreported) [2006] T.M.O.B. No. 46 (March 17, 2006) (T.M.H.O., per Savard), even where it bears no date. Of course, invoices do not have to bear the trade mark to be used as evidence; where exhibits such as packaging bearing the trade mark are filed, the invoices may serve only to establish the occurrence of sales, as may inventory reports and purchase orders (Effigi Inc. v. Baird Retail Management Group Inc. (unreported) [2006] T.M.O.B. No. 77 (May 3, 2006) (T.M.H.O., per Carrière)).

In some cases, a trade mark may appear on invoices, but not on the wares themselves. If the trade mark is clearly associated with goods listed in the invoice, that will be considered use, as long as they are not the goods of another manufacturer. However, if the trade mark appears only as a trade name, that will not be use. If a trade mark appears not on the goods, but on in-store displays, the question is whether the proximity of the mark and the wares is clearly made to consumers at the time of transfer of the goods. (See 88766 Canada Inc. v. Roger Phillips (2008) T.M.O.B. No. 90 (May 16, 2008) (T.M.O.B. per Laine)).

Although a registrant would be wise to provide invoices, as they are usually the most convincing evidence of commercial use, Strayer, J. in Lewis Thomson & Sons Ltd. v. Rogers, Bereskin & Parr (1988), 21 C.P.R. (3d) 483 at 485-6 (F.C.T.D., per Strayer J.) stated, and a number of decisions have subsequently cited, that a transfer can be established even without providing invoices and a court or Registrar should not view an affidavit without invoices as presumptively useless. As an alternative to invoices, a sales summary, showing names of customers, invoice numbers, and dates was accepted in Dimock Stratton v. Sunburst Products (2009), 73 C.P.R. (4th) 451 (T.M.H.O., per Barnett). The registrant's affidavit also set out sales figures and information on the channels of trade.

Sales made in Canada through catalogues or over the Internet can demonstrate use where the trade mark appears in or on the catalogues or, presumably, in website displays used for ordering. However, for there to be use, there has to be more than "display" on the website. The evidence must also show a sale in Canada.

In Swabey Ogilvie Renault v. Miss Mary Maxim Ltd. (2003), 28 C.P.R. (4th) 543 (T.M.H.O., per Savard), the Hearing Officer indicated that it was necessary to consider the registrant's channels of trade. On ordering from a catalogue, notice of the association between the trade mark and the wares would be given to the purchaser by way of the catalogue. (In this case, the trade mark also appeared on price stickers and invoices, but not on the goods.) See also Lapointe Rosenstein v. Elegance Rolf Offergelt GmbH (2005), 47 C.P.R. (4th) 196 (T.M.H.O., per Tremblay), where the catalogue displayed the trade mark in proximity to the wares and, in respect of different wares, including fabrics, where the spine of the catalogue bore the trade mark and the catalogue was used to order the wares. These were held to be sufficient notice of the association between the wares and the trade mark, which notice was continued when the wares were delivered, since the trade mark also appeared on shopping bags and packing tape. (But, see Michaels & Associates v. W.L. Smith & Associates (2006), 51 C.P.R. (4th) 303 (T.M.H.O., per Bradbury), where mere catalog display, without any association of the mark and the wares at the time of transfer was not found to be use.)

If the only evidence of use of a trade mark is on shopping bags and packaging materials, the facts must be considered. If such packaging materials are used to wrap merchandise bearing *another* trade mark, of the registrant or another, such evidence may not support use (See Gowling, Strathy & Henderson v. Karan Holdings Inc. (2001), 14 C.P.R. (4th) 124 (T.M.H.O., per Savard).

The internal distribution of a newsletter, a gift to charity or other such free distribution of promotional materials may not be sufficient; Royal Bank of Canada v. Canada (Registrar of Trade Marks) (1995), 63 C.P.R. (3d) 322 (F.C.T.D., per Dubé J.); Ports International Ltd. v. Canada (Registrar of Trade Marks) (1983),

79 C.P.R. (2d) 191 (F.C.T.D., per Jerome, A.C.J.); and C.I.S. Ltd. v. Sherren (1978), 39 C.P.R. (2d) 251 at 257-258 (T.M.O.B., per Metcalfe)) even when the transfer of goods would result in the registrant's trade mark acquiring good will (Lapointe Rosenstein v. Revlon (Suisse) (2002), 26 C.P.R. (4th) 120 (T.M.H.O., per Savard). Nor will a token use meant only to maintain trade mark ownership rather than constituting a bona fide commercial transaction be sufficient (Phillip Morris, supra).

The matter of free distributions was discussed by the Opposition Board at length in an opposition proceeding Times Mirror Co. v. Transcontinental Distribution Inc. (2004), 42 C.P.R. (4th) 1 (T.M.H.O., per Carrière). In that case, the fact that the products were not distributed for the promotion of the trade mark owner's own products or services was highly relevant to finding use (free distribution of a publication for the purpose selling advertising space). The case law also supports the contention that the free distribution of a product could constitute use if done in anticipation of securing sales of that product (88766 Canada Inc. v. Spinnakers Brew Pub Inc. (2005), 48 C.P.R. (4th) 70 (T.M.H.O., per Savard)) or if done with the intention of acquiring profits from the products bearing the trade mark (Aird Berlis LLP v. Levi Strauss & Co. (unreported) [2005] T.M.O.B. No. 91 (Jun 30, 2005) (T.M.H.O., per Savard)).

Although advertising does not constitute use with respect to wares, activities that have been described as a product "launch" have been accepted by the Federal Court as use in Canada (ConAgra Foods Inc. v. Fetherstonhaugh & Co. (2002), 23 C.P.R. (4th) 49 (F.C.T.D., per Mackay J.). The "launch" involved steps taken within "the relevant period to test market products, and arrange for introduction of the product on store shelves." Such steps included an exposition of the goods to retail store buying personnel, and the acceptance of an order, delivered two days after the issuance of the Section 45 notice. Surprisingly, and contrary to Manhattan Industries Inc. v. Princeton Manufacturing Ltd. (1971), 4 C.P.R. (2d) 6 (F.C.T.D., per Heald J.), Mackay J. held that "acceptance" of an order (as opposed to delivery of the goods) within the relevant time period constituted use. Mackay J. indicated that such a "step within the regular course of trade in the industry where the owner of the trade-mark wares seeks to develop a market, also constitutes use of the trade-mark" (ConAgra, supra at 56). This case and others appear to accept that test marketing is equivalent to "use", in the normal course of trade, if it appears that the normal practice is to arrange for such test distribution, and this is done with the specific purpose of furthering sales, particularly if there is subsequent evidence of actual sales (see G.U.C. Ltda v. Remwest Ltd. (2008) T.M.O.B. No. 12 (January 31, 2008), (T.M.O.B. per Sprung), and in an opposition context, in Aloette Cosmetics v. Medique Cosmetics (2006), 51 C.P.R. (4th) 196 (T.M.H.O., per Bradbury), where sales at a test centre, prior to wholesale sales, was found to be use in the ordinary course of trade.

It must be clear that the product is available for sale after such free distribution. In Premier School Agendas Ltd. v. Charmaine Styles (2007) 62 C.P.R. (4th) 66 (T.M.O.B., per Sprung), the registrant distributed wares free of charge during the relevant period to assist in the development of the product. However, there was no evidence of sales, since the product was not available even if there had been orders. Unless the distribution is done for the purpose of anticipating sales, it will not qualify as use, nor was such activity evidence of a serious intention to resume use.

In Riches, McKenzie & Herbert LLP v. Mary Quant Cosmetics Japan Limited (unreported) [2005] T.M.O.B. No. 128 (August 31, 2005) (T.M.H.O., per Savard), the Registrar was able to infer sales from the photographic display of certain cosmetic products in promotional materials, where such display fit a pattern of use for a wide range of other cosmetic products for which there was more substantial evidence. However, in Smart & Biggar v. Jarawan (2006), 52 C.P.R. (4th) 33 (F.C., per von Finckenstein J.) the Court found undated photos, which could have been taken anywhere, insufficient to show use of the mark in Canada within the relevant time. In addition, the photos did not clearly show the contents of the boxes, so it was impossible to prove that use of the mark had been with the wares.

Although rare, case law does exist where the Registrar found use even though no supporting exhibits were submitted. See, for example, Gowling, Strathy & Henderson v. 476671 B.C. Ltd. (unreported) [1999] T.M.O.B. No 29 (T.M.H.O., per Savard). See also Frumkin, Feldman and Glazman v. Frank Mazza (2004), 38 C.P.R. (4th) 567 (T.M.H.O, per Savard), where the registrant's access to the evidence that could be furnished in the exhibits was severely restricted by the deterioration of a business relationship. In that case, the registrant was able to swear that he had seen the wares, bearing the trade mark, for sale in a retail establishment. Where, as in Gowling v. 476671, supra, the affidavit provides reliable and unequivocal evidence of use in the normal course of trade, exhibits may not be necessary. However, corroborating exhibits will often end up being invaluable in resolving any ambiguities in an affidavit and a registrant who fails to file such exhibits very much risks failing to meet its evidentiary burden. As stated by Russel J. of the Federal Court, "showing is safer than telling" (Uvex Toko Canada Ltd. v. Performance Apparel Corp. (2004), 31 C.P.R. (4th) 270).

(iii) Wares – Evidence of the Normal Course of Trade

The registrant's affidavit should clearly address its "normal course of trade". The registrant should not assume that the Registrar will know its customary or normal in the trade. As was stated in S.C. Johnson & Son, Inc. v. Canada (Registrar of Trade Marks) (1981), 55 C.P.R. (2d) 34 (F.C.T.D., per Jerome A.C.J.), "the Registrar cannot make assumptions and cannot be expected to know the nature of the business of the owners of any trade mark or about the practices and

experiences in the ordinary course of such business.” If the registrant presents “genuine” evidence as to the normal course of trade, the courts will not “question that evidence on the basis of its own view, unsupported by evidence, as to what constitutes the normal course of trade” (Phillip Morris Inc. v. Imperial Tobacco Ltd. (No. 2) (1987), 17 C.P.R. (3d) 237 (F.C.A., per MacGuigan J.)) But if a registrant fails to file such evidence, the registrant runs the risk of having to argue against the Registrar’s (or Court’s) view of the normal course of trade.

(iv) Services – Display/Commercial Transaction

With respect to services, the courts have construed section 4(2) to require that the services be performed in Canada (Porter v. Don the Beachcomber (1966), 48 C.P.R. 280 (Ex. Ct., per Thurlow J.)), or at the very least, that the trade-mark owner must be offering and is prepared to perform the services in Canada (Wenward (Canada) Ltd v. Dynaturf Co. (1976), 28 C.P.R. (2d) 20 at 25 (T.M.O.B., per Carson), Clark O’Neill Inc. v. PharmaCommunications Group Inc. et al. (2004), 30 C.P.R. (4th) 499 at 504 (F.C.T.D., per Harrington J.), and Art of Loving v. Paul Mauchline (unreported), [2006] T.M.O.B. No. 20 (T.M.H.O., per Bradbury)). In contrast, see Denman Place Investments Ltd. v. Hefru Food Services Ltd. (1972), 8 C.P.R. (2d) 199 (T.M.H.O., per Robitaille), where it was held that a mark displayed in the pre-launch advertising of a service that is not yet available does not constitute use of the mark. This decision was followed in Smart & Biggar v. Serena Fashions (unreported) [2006] T.M.O.B. No. 165 (October 25, 2006) (T.M.H.O., per Savard). Similarly, merely referring to “display” without clarifying that the mark is used in the performance of services can invalidate a registration. In Odutula Professional Corp. v. Cara (unreported) [2008] T.M.O.B. No. 30 (March 8, 2008) (T.M.H.O., per Barnett), photographs of signage, plus sworn testimony relating to use of the restaurant trade mark during the relevant period was found to be ambiguous, since it was not clear that the services were “performed”. Nevertheless, it has been held that advertisements in telephone directories can be recognized as a way to provide evidence of use (Tint King, *supra*).

Although the performance of a service ostensibly need not be “in the normal course of trade” as with “wares”, use of marks with respect to services must be of a normal commercial nature (Cornerstone Securities Canada Inc. v. Canada (Register of Trade Marks) (1994), 58 C.P.R. (3d) 417 (F.C.T.D., per Weston J.)), and must benefit consumers or purchasers (Carling O’Keefe Breweries of Canada Ltd. v. Anheuser-Busch, Inc. (1985), 4 C.P.R. (3d) 216 (T.M.O.B., per Troicuk)). For example, in Boston Pizza International Inc. v. Boston Chicken, Inc. (1998), 87 C.P.R. (3d) 333 (T.M.H.O, per Savard), use of a mark for take-out and catering services at a charitable event was held to not constitute “use” under the Act. Evidence as to the normal course of trade may also be pertinent. See 1292162 Ontario Ltd. v. CarCanada Corporation (2006), 52 C.P.R. (4th) 138 (T.M.H.O., per Savard), where retail sales of tires merely ancillary to the

operation of a used car business were found not to consist of “operation of retail tire dealers’ stores”; and Riches, McKenzie & Herbert v., The Travel Accessory Store Ltd. (unreported) [2006] T.M.O.B. No. 57 (April 13, 2006) (T.M.H.O., per Savard), where use with respect to unremunerated travel consultant services performed in the operation of a retail store was accepted as evidence of use for “travel consultant” services, even though such services were an integral part of, or incidental to, the retail store services of the registrant. In this case, the store gave advice and information beyond what would normally be expected of a retail store and that the store performed the services with the intention of recouping its costs through retail sales.

A recent decision maintained “hotel services” with evidence of use in Canada of both “reservation services” and “loyalty program services”, even without the presence of a physical facility in Canada (Borden Ladner Gervais LLP v. WestCoast Hotels, Inc. (2006), 53 C.P.R. (4th) 361 (T.M.H.O., per Bradbury)). The case cited Venice Simplon-Orient-Express, Inc. v. Société Nationale des Chemins de Fer Français SNCF (2000), 9 C.P.R. (4th) 443 (F.C.T.D., per McKeown J.), affirming 64 C.P.R. (3d) 87, where “railway passenger service” were understood to include “train reservation and ticketing services”, without actual operation of a train in Canada.

Use with respect to services often comprises the display of the trade mark on wares used in the performance of that service: for instance, LightSurf Technologies Inc. v. Lifetouch Inc. (2005), 48 C.P.R. (4th) 75 (T.M.H.O., per Savard), where the trade mark appeared on cameras used in performing photographic services. The display of trade mark on letterhead, on business cards, in a catalogue, etc., was taken as evidence of use in the operation of a business dealing in the sale of all goods included in a catalogue: Ridout & Maybee LLP v. Nationwide Manufacturing Ltd. (unreported) [2005] T.M.O.B. No. 146 (September 29, 2005) (T.M.H.O., per Savard). Use for life insurance services was found even where no new contracts were being signed, since active policies were being administered and the trade mark appeared on billing notices: Desjardins Sécurité Financière v. Sun Life Assurance Company of Canada (2005), 50 C.P.R. (4th) 154 (T.M.H.O., per Savard).

(v) S. 4(3) – Use by Export

Section 4(3) concerns use of the trade mark in export. The trade mark must be marked in Canada on the wares or their packaging when the wares are exported from Canada. With respect to computer software, these requirements are met when the trade mark appears on the opening screen and main menus of the software when it is operated on a computer (McCarthy Tétrault LLP v. Pascal Information Technology Ltd. (2005), 47 C.P.R. (4th) 314 (T.M.H.O., per Savard). “Exported from Canada” has been construed to mean “sent from Canada to another country in the way of trade” or “transported from Canada to another

country in the course of trade” (Molson Companies Ltd. v. Moosehead Breweries Ltd. (1990), 32 C.P.R. (3d) 363 at 372-373 (F.C.T.D., per MacKay J.)). The export must be part of a commercial transaction but there is no requirement however for the transaction to be in the normal course of trade (Moosehead Breweries, *supra*; see also Brouillette Kosie v. Molson Breweries, a Partnership (2002), 22 C.P.R. (4th) 412 (T.M.H.O., per Savard) and Christopher P. Brett v. Molson Canada (2008) (T.M.O.B., per Spring). This is clear from a comparison of the definitions of use in Section 4(1), which defines use in terms of a transfer in the ordinary course of trade, compared to Section 4(3), which refers only to wares having been exported. However, the manufacture of the product in Canada by the registrant for sale *by itself* in another country does not constitute “exporting” because it is not part of a commercial transaction (Ridout & Maybee LLP v. Walgreen Co. (2005), 52 C.P.R. (4th) 64 (T.M.H.O., per Folz), where the registrant had the product manufactured in Canada and shipped to the U.S. for sale in its *own* retail stores).

(c) Use by the Registrant or Its Authorized Licensee

Use, as defined in s. 4 of the Act, must be use by the registrant or a person licensed under Section 50 by the registrant. The issue of whether use accrues to the registrant arises in primarily in three contexts: distribution chains and agency arrangements; licensees and related companies; and assignments of trade mark rights.

As wares move along a distribution chain, they change possession. Provided the wares associated with the trade mark originate with the registrant, there will be use by the registrant as long as any part of the distribution chain involves a transfer of possession in Canada. As stated in Manhattan, *supra*, “s. 4 contemplates that the use between the retailer and the public enures to the benefit of the manufacturer [trade mark owner] and its use in Canada.”

The holding in Manhattan, *supra*, appears to have been extended by the case law to included the performance of services by an agent or subcontractor: Venice Simplon-Orient-Express, *supra*, and Reid Schmidt v. Terminix International, Inc. (2005), 50 C.P.R. (4th) 454 (T.M.H.O., per Carrière).

The situation is different where the wares originate not from the registrant but from a licensee. In order to maintain a registration used by a licensee, the use must be under the control of the trade mark owner, as required by s. 50 of the Act. If the registrant seeks to rely upon a licensee's evidence in a s. 45 proceedings in the registrant's evidence, confirming that use of the trade mark is under the control of the trade mark owner, it is critical to include an unambiguous statement confirming that use of the trade mark is under the control of the trade mark owner. Note, in Cassels, Brock & Blackwell v. Tucumcari Aero [2009] (unreported) T.M.O.B. No. 63 (April 9, 2009) (T.M.H.O., per Tremblay), evidence

concerning control of the mark was considered too ambiguous to enable the Registrar to conclude that s. 50 had been complied with since the trade mark owner's witness used a single term to refer collectively to a number of companies. A sworn statement has been held to be sufficient to ensure that the registrant can rely on Section 50 where use is by a licensee (Nissan v. MAAX Canada Inc. (2007) 65 C.P.R. (4th) 99 (T.M.O.B. per Carrière).

It is not necessary to show how control takes place (see: McCarthy Tétrault LLP v. Rex Inc. (2007) 65 C.P.R. (4th) 46 (T.M.O.B. per Savard wherein evidence of a control provision in a license agreement alone was held to be sufficient to show that use by the licensee accrued to the benefit of the registrant).). In Gowling Lafleur Henderson v. Original Sacher-Torten (2003), 28 C.P.R. (4th) 547 (T.M.H.O., per Savard), the affidavit from the registrant stated that the owner "has licensed" Sacher Hotels to sell SACHER coffee, and attached invoices and labels. The Hearing Officer noted that it cannot be assumed that use accrues to the registrant, since "nowhere does she mention that the registrant has under the license direct or indirect control of the character and quality of the wares sold in association with the trade mark as required by Section 50 of the Trade-marks Act." Similarly, in Shapiro Cohen Andrews & Finlayson, *supra*, when referring to the requirement in Section 50 of "direct or indirect control", the Hearing Officer stated, "For the purposes of a Section 45 proceeding, this can be satisfied either by the registrant/licensee clearly swearing to the fact that the control by Section 50 exists...or by the submission of a copy of the license containing provisions regarding the control the registrant has over the character and quality of the wares or services." In Beverage Up-John Inc. (Re) (unreported) [2008] T.M.O.B. No. 93 (June 26, 2008) (T.M.H.O., per Laine), there was neither a clear statement made by the registrant that it controlled the nature and quality of the wares, nor evidence of any license agreement with the requesting party (the alleged licensee). Accordingly, it was held that there was no effective license showing that use by requesting party benefited the registered owner. In Kirby Eades Gale Baker v. Zahnfabrik Bad Nauheim (2006)(57, C.P.R. (4th) 74 (T.M.H.O. per Bradbury)) a license agreement had expired before the date of the Section 45 notice, but the registrant's evidence clearly showed control, and also spoke to the ongoing arrangement with the licensee. The determinative issue is control, and not whether a license agreement has been signed or filed in evidence.

Even where the licensee is a wholly owned subsidiary of the registrant, the Trade-marks Office or courts will not necessarily presume control by the registrant. In Flanders Filters, Inc. v. Trade Mark Reflections (2006), 48 C.P.R. (4th) 269 (F.C.T.D., per Dawson J.), the Court asked the appellant to address two 1995 Opposition Board decisions that stand for the proposition that "use of a trade-mark by a wholly owned subsidiary is, by itself, insufficient to establish the existence of a license within the meaning of s. 50 of the Act" (at par. 7); namely, MCI Communications Corp. v. MCI Multinet Communications Inc. (1995), 61 C.P.R. (3d) 245 (T.M.H.O., per Martin) and Dynatech Automation Systems Inc. v.

Dynatech Corp. (1995), 64 C.P.R. (3d) 101 (T.M.H.O., per Savard). See also Automobility Distribution Inc. v. Jiangsu Electronics Industries Limited (2005), 43 C.P.R. (4th) 157 (T.M.H.O., per Savard), where the Hearing Officer stated that “corporate structure alone does not establish the existence of a licensing arrangement. Further, the fact that a registered owner is the sole shareholder of the corporation, in and of itself, does not permit me to infer that the owner has control of the character and quality of the wares.” But see: Smart & Biggar v. Mike Curb (unreported) [2008] T.M.O.B. No. 58 (March 27, 2008) (T.M.H.O., per Barnett) for an opposite result in a similar situation.

Nevertheless, where the chairman, president or director of a corporate owner is also the president, director or sole shareholder of the user of the trade mark, the requirements of section 50 will generally be met as sufficient control will be presumed (Petro-Canada v. 2946661 (1998), 83 C.P.R. (3d) 129 (F.C.T.D., per Teitlebaum J.)). The validity of this presumption was recognized even in Automobility Distribution, supra, which was followed in Atlantic Furniture Manufacturing Ltd. (Re) (unreported) [2008] T.M.O.B. No. 19 (February 5, 2008) (T.M.O.B., per Bradbury). However, it is always preferable to specifically address the licence and control in the affidavit.

If the user of the marks is no longer under the control of the trade mark owner, for example, as a result of a change in ownership or sale, the use by such company, even as a “former” licensee, may not enure to the benefit of the trade mark owner. In Blake Cassels & Graydon LLP v. 932129 Ontario Inc. (2007) 63 C.P.R. (4th) 240 (T.M.O.B. per Savard) the registrant's licensee's assets were purchased by a third party, who was not controlled by the trade mark owner, but continued use of the trade mark. Such “illegal” use could not be relied upon by the trade mark owner.

Following an assignment, it is not uncommon for the former owner’s name to appear on the goods. In Johnston Avisar v. Aastra Technologies Ltd. (2004), 36 C.P.R. (4th) 477 (T.M.H.O., per Savard), the evidence of use showed the predecessor’s name, rather than the registrant’s. The Hearing Officer maintained the mark, noting that the registrant was using up old inventory, but was nevertheless still using the trade mark. It was noted that the display of a predecessor’s name may affect distinctiveness, but that is not an issue in section 45 proceedings. See also Smart & Biggar v. Maple Leaf Distillers (unreported) [2009] T.M.O.B. No. 99 (June 5, 2009) (T.M.H.O., per Bradbury), where the new owner used up old labels while it developed its own. See also Wm. Wrigley Jr. Company v. Cadbury Adams USA LLC (unreported) [2007] T.M.O.B. No. 29 (T.M.H.O., per Savard), where packaging samples provided showed the name of the predecessor-in-title and the licensee, however, these samples were accompanied by an affidavit explaining that after the trade mark had been assigned, these materials had been used by the licensee for some time. The affidavit also confirmed that the current owner controlled the character and quality of the wares sold under the trade mark. The Senior Hearing Officer noted

that even though the Canadian public had been presented with a name other than the registered owner, this did not mean that the registered owner had not used the mark in the normal course of trade. "Consequently, the fact that the packaging for the wares still bear the name of the predecessor-in-title (and its licensee) may affect the distinctiveness of the registered owner's mark, however this is not a matter to be dealt with in a Section 45 proceeding."

(d) Use of All Wares and Services

The Act states that use of "each of the wares or services" must be shown. This was confirmed in John Labatt Ltd. v. Rainer Brewing Co. (1984), 80 C.P.R. (2d) 228 (F.C.A., per Stone J.) finding that evidence of use for each of the wares and services is indeed necessary under section 45, and that a registration will be restricted to only those wares and services for which use had been "shown".

However, a "showing" of use may not require exhibits for all wares/services if the affidavit clearly states that the trade mark is used on all wares/services, and adequate examples of use from all categories is shown. For example, Saks & Co. v. Canada (Registrar of Trademarks) (1989), 24 C.P.R. (3d) 49 (F.C.T.D. per Addy J.), holds that where the registration contains "several" categories of wares or services that have been "logically and properly categorized" and each category contains "several" items of wares and/or "several" services, a registrant need not provide direct or documentary proof with respect to each and every ware and service.

In Mary Quant Cosmetics, supra, the registrant established a representative pattern of use with respect to a number of cosmetic products. Some products for which there was no evidence of sales were accepted as being used because their display in promotional materials fit the established pattern of use. See also Lidl Stiftung & Co. KG v. Thornbury Grandview Farms Ltd. (2005), 48 C.P.R. (4th) 147 (T.M.H.O., per Savard); 88766 Canada Inc. v. Fetish Group, Inc. (unreported) [2005] T.M.O.B. No. 142 (September 29, 2005) (T.M.H.O., per Savard); Financial Models Company Inc. v. FMC Corporation (unreported) [2006] T.M.O.B. No. 78 (May 11, 2006) (T.M.H.O., per Savard).

But see Compagnie General des Établissements Michelin – Michelin & Cie v. Spy Optic, Inc. (unreported) [2006] T.M.O.B. No. 17 (February 22, 2006) (T.M.H.O., per Savard), where a general statement of use concerning all of the registered wares was considered too vague to meet the requirements of Saks, supra, without clear evidence of use in catalogues or on invoices (no specific evidence with respect to 6 of 14 wares comprising clothing and accessories). Possibly, the registrant could have avoided this finding by listing, specifically, the wares in use in the body of the affidavit. However, such a statement did not help in Hudson's Bay Company v. Shavel Associates, Inc. (unreported) [2006] T.M.O.B. No. 71 (April 28, 2006) (T.M.H.O., per Tremblay). While a sworn

statement of use of *all* wares was in the registrant's affidavit, the exhibit showed use of only one category of product, making that statement merely a "bare assertion of use of the type found unacceptable in *Plough*". The fact that little effort would have been required to provide examples of use with respect to each ware raised doubts in the mind of the Registrar that all wares were being used. The same comment about the registrant's evidence are made in *Clark Wilson v. Lee Canada Inc.* (2007) T.M.O.B. NO. 180 (November 1, 2007) (T.M.O.B. per Bradbury), involving the LEE trade mark for various items of clothing. The Hearing Officer noted, in limiting the registration only to those wares for which labels were provided, that it would have been a simple matter to provide exhibits for each of the registered wares. There might be greater leeway where the vast number of wares makes the gathering of evidence with respect to all onerous: *Dashte Morghab Co. v. Rex Inc.* (2005), 52 C.P.R. (4th) 71 (T.M.H.O., per Savard) (92 wares, all food items).

The Federal Court has analysed these two lines of cases. In *Ridout & Maybee LLP v. Omega SA* (2004), 39 C.P.R. (4th) 261, Tremblay-Lamer J. stated that:

The proper test, in my view, combines both lines of authority. Requiring a demonstration of use for every ware obviously comports with the purpose of s. 45 – the exercise of clearing "deadwood" necessarily implies that all wares identified in the registration must be in active use to avoid deletion. Specific wares can nevertheless sometimes be legitimate representatives of a broader grouping or category of wares claimed in the registration. That is why a single transaction may suffice to show use even though every conceivable ware falling under a particular category may not actually change hands in the transaction.

Thus the test should be formulated more precisely as follows: For the purpose of s. 45, evidence is required to show use of every ware/service specified in the registration unless demonstrated use of a particular ware or wares can serve as evidence of use of an entire category of wares on a plain reading of the registration. Along those lines, in *Gowling Lafleur Henderson v. Neutrogena*, (unreported) [2009] T.M.O.B. No. (2009) (T.M.O.B., per Bradbury), a sworn statement of use of 20 goods, plus a photo of each product, and a sampling of invoices was sufficient.

One case (*Automobility Distribution Inc. v. Licentia Patent-Verwaltungs-GMBH* (2005), 74 C.P.R. (4th) 153 (T.M.H.O., per Savard)) has cited the *Omega* decision for the proposition that where specific wares within a general classification are deleted, the general classification heading will nevertheless be maintained.

Care should also be taken to ensure that what is selected to show use is readily perceived as encompassed by the description of the wares or services in the trade mark application. The Hearing Officers have held that "the statement of

wares should be granted a generous interpretation as opposed to a restrictive one” (Molson Canada v. Kaiserdom-Privatbrauerei Bamberg Wörner KG (2005), 43 C.P.R. (4th) 313 (T.M.H.O., per Bradbury)). In that case, a non-alcoholic malt beverage (“near-beer”) was held to fall within the registration for “beer.” See Worldpay Ltd. v. Teachers Insurance and Annuity Assn. (2004), 37 C.P.R. (4th) 182) (T.M.H.O., per Savard) for a similar statement in regards to services.

Nevertheless, there are plenty of examples of arguably less generous interpretations to be found in the cases. For example, in Swabey Oglivy Renault v. Enterprises Krasnow Ltée/Krasnow Enterprises Ltd. (1997), 83 C.P.R. (3d) 259 (T.M.H.O., per Vandenaeker), the Board held that evidence of use of the mark in association with “boots” was not use of the registered “shoes of all kinds”. Similarly, in Cordon Bleu International v. Renaud Cointreau (2000), 10 C.P.R. (4th) 379 (F.C.T.D., per Rouleau J.), the Court held that the use of the mark on products consisting primarily of beef (such as meatball stew and boeuf bourguignon) is insufficient to maintain a registration for “beef”. The Court also added that the use of a mark on paté that contains veal as a secondary ingredient is insufficient to maintain a registration for “veal based patés”, because, when giving the words their usual meaning, a veal-based paté should contain veal as its primary ingredient. See also Wrangler Apparel Corp. v. Pacific Rim Sportswear Co. (2000), 10 C.P.R. (4th) 568 (T.M.H.O., per Bradbury), where use on corduroy trousers was found *not* to be use on “jeans”.

In Countryside Canners Co. v. Canada (Registrar of Trade Marks) (1981), 55 C.P.R. (2d) 25 (F.C.T.D., per Walsh J.), the Court found that use of a trade-mark in association with canned tomatoes supported a registration for canned vegetables and canned fruit. Contrast, however, with 88766 v. Kremblo International Trade (unreported), [2006] T.M.O.B. 183 (November 22, 2006) (T.M.H.O., per Savard) where use in associated with canned fruits and fruit juices did not support a registration for canned vegetables and vegetable juices. In 88766 Inc. v. Bausch & Lomb Inc. (unreported) [1998] T.M.O.B. No. 94 (June 17, 1998) (T.M.H.O., per Savard) the Office found “spectacles” to include “sunglasses”, and see Levi Strauss & Co. v. Canada (Registrar of Trade Marks) (2006), 51 C.P.R. (4th) 434 (F.C.T.D., per Hughes J.), where use of the trade mark RED TAB DESIGN in association with jeans was sufficient to maintain a registration for use with overalls, due to the shift in the meaning of the word ‘overalls’ from the date of registration to the date of judgment.

In Uvex Toko Canada, *supra*, Russell J. overturned the decision of the Hearing Officer, refusing to infer that evidence of use of the trade mark in association with thermal underwear was evidence of use in association with pants or shirts, “even in this age of permissive clothing choices.” Justice Russell also noted that it would not have been “evidentiary overkill” to have shown use of each of the specified wares since there were relatively few listed.

One should also be aware of the risk that the registration for a type of wares which is incorporated into other wares as a component or ingredient will not be maintained if use of the incorporated wares alone *per se* cannot be shown. In 928735 Ontario Limited v. The Spring-Air Company (unreported) [2006] T.M.O.B. No. 72 (May 4, 2006) (T.M.H.O., per Tremblay), use for bed springs was not considered use for mattresses.

Detailed statements of wares can lead to problems. For instance, in Ogilvy Renault v. Chin Ridge Seed Processors Ltd. (unreported) [2005] T.M.O.B. No. 143 (September 8, 2005) (T.M.H.O., per Savard), the sale of the same sunflower seeds both for avian and human consumption was held to maintain the registration for sunflower seeds only as a bird feed item because the same product could not satisfy use with respect to the two distinct entries in the statement of wares (even with evidence of small purchases of the products, presumably packaged as bird feed, for possible human consumption). But see, Lidl Stiftung & Co. KG v. 115570 Canada Inc. (unreported) [2006] T.M.O.B. No. 74 (May 4, 2006) (T.M.H.O., per Savard), where the operation of one establishment satisfied use for “operating restaurants and pizzerias”. Similarly, where use is shown for a registered ware that is completely subsumed by another registered ware described in more general terms, the Registrar will uphold only the narrower description (Tolaini S.R.L. v. Segura Viudas, S.A. (2005), 50 C.P.R. (4th) 158 (T.M.H.O., per Savard), “sparkling wines” maintained, “wines” deleted; Lidl Stiftung & Co. KG v. 436775 Ontario Inc. (unreported) [2006] T.M.O.B. No. 14 (February 16, 2006) (T.M.H.O., per Savard), “pre-packaged fresh fruits and vegetables” maintained, “pre-packaged fruits and vegetables” deleted).

(e) Use During Relevant Period

A registrant does not have to show continuous use throughout the entire three-year period, but only has to demonstrate that the mark was used sometime during the three-year period. As O’Keefe J. stated in Carter Wallace v. Wampole Canada (2000), 8 C.P.R. (4th) 30 (F.C.T.D., per O’Keefe J.), in order to avoid an expungement proceeding under Section 45, a party simply has to provide evidence of use “at some point within the previous three years.” A single sale can be sufficient for wares (Gowling Lafleur Henderson v. Supertex Industrial (2002), 26 C.P.R. (4th) 251 (T.M.H.O., per Savard) and Miller Thomson LLP v. Terra Equipment Ltd. (2007) 64 C.P.R. (4th) 53 (T.M.O.B. per Bradbury). A single day of sales and marketing can be sufficient to show use for services (Fasken Martineau DuMoulin LLP v. In-n-Out Burgers (2007) 61 C.P.R. (4th) 183 (T.M.O.B. per Sprung). A specific sale may not have to be evidenced where it can be inferred. In Riches, McKenzie & Herbert LLP v. Park Pontiac Buick GMC Ltd. (2005), 50 C.P.R. (4th) 391 (T.M.H.O., per Bradbury), given evidence of 25,000 sales in 11 years, the Hearing Officer was able to infer that some of the sales occurred in the relevant period three-year period because it was not

reasonable to assume that a car dealership was operating for three years without a single sale.

(f) Who May File Evidence

Originally, courts were of the view that only the trade mark owner could furnish the evidence and that only one affidavit or statutory declaration by that owner could be allowed. In 1985, the Federal Court of Appeal decided that the evidence did not have to be sworn by the trade mark owner, nor was the owner limited to one affidavit or statement, as long as the evidence was “furnished” by the trade mark owner (Canada (Registrar of Trade Marks) v. Harris Knitting Mills Ltd. (1985), 4 C.P.R. (3d) 488 (F.C.A., per Pratte J.)). Hence, affidavits can be filed by licensees, distributors or others on behalf of the trade mark owner.

However, care must be taken to demonstrate, and actually state that the facts introduced in the affidavit, whether by the registrant or another party on behalf of the registrant are within the personal knowledge of the affiant (see section 5(a), below, pertaining to hearsay). In Canadian Council of Professional Engineers v. AEC Inc. (2002), 22 C.P.R. (4th) 399 (T.M.H.O., per Savard), the affidavit of a partner of the registrant's trade mark agent was considered to be based on “information and belief” and thus hearsay. Furthermore, the registrant had not established the necessity of submitting such hearsay evidence, a condition of permitting such evidence to be accepted, as stipulated by Labatt Brewing Co. v. Molson Breweries, A Partnership (1996), 68 C.P.R. (3d) 216 (F.C.T.D., per Heald D.J.), and was hence held inadmissible. An affidavit concerning third-party use of a trade mark was allowed where the affiant was the CEO of a company and the third-party use was by the company's franchisees. In that case the Hearing Officer stated, “Although I am of the view that it would have been preferable if [the affiant] had clearly stated in his affidavit that he had ‘personal knowledge’ of the facts stated therein...there is no clear indication that [the affiant's] statements are not based on personal knowledge.” (E-Cruiter.com Inc. v. Express Services, Inc. (2004), 36 C.P.R. (4th) 560 (T.M.H.O., per Savard)). The Hearing Officer was not so lenient in Shapiro Cohen v. Empresa Cubana Del Tabaco (2007) 63 C.P.R. (4th) 129 (T.M.H.O., per Savard), where the affidavit from a representative of the exclusive Canadian distributor was found to be based on inadmissible hearsay. Further complicating the case were statements in the alleged license agreement suggesting the licensee, and not the trade mark owner was “solely responsible” for production, sale and distribution.

If the trade mark has been assigned, and the evidence will be filed on behalf of the assignee, the assignee should be prepared to indicate when it acquired the trade mark if the assignment has not yet been recorded. In 88766 Canada Inc. v. Barlow Menard & Associates (2002), 22 C.P.R. (4th) 542 (T.M.H.O., per Savard), the registrant executed a *nunc pro tunc* assignment after the issuance of the Section 45 notice. Because the language used was retroactive and not

confirmative, the assignment was only given effect from the date of execution. Use of the trade mark by the assignee hence did not accrue to the registered owner since it did not fall within the relevant period.

3. Common Issues in s.45 Proceedings

(a) Differences Between Marks as Registered and Used

The general principle when faced with use of a mark that differs from the registered trade mark was set out by the Federal Court of Appeal in Canada (Registrar of Trade-Marks) v. Compagnie Internationale pour L'informatique CII Honeywell Bull S.A. (1985), 4 C.P.R. (3d) 523. Justice Pratt held that use of the trade mark must not lose its identity and remain recognizable.

The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin.

See also Crash Dummy Movie, LLC v. Mattel, Inc. (2007), 60 C.P.R. (4th) 47 (T.M.H.O., per Sprung), where the packaging showed the word "Incredible" next to the trade mark CRASH DUMMIES. Applying Honeywell Bull, the Hearing Officer concluded that, in view of the size and placement of the word "Incredible" relative to the trade mark, the dominant features of the CRASH DUMMIES trade mark were preserved, such that the appearance on the packaging constituted acceptable 'use'.

In Aesus Systems v. Sleever International (unreported) [2009] T.M.O.B. No. 62 (March 27, 2009) (T.M.H.O., per Carrière) the registrant varied the mark SLEEVEVER by adding the word INTERNATIONAL and a graphic, but the dominant component was still considered the word SLEEVEVER and it was held that consumers would not be misled by such a variation.

In Promafil Canada Ltée v. Munsingwear Inc. (1992), 44 C.P.R. (3d) 59 (F.C.A.), Hugessen J.A. affirmed that test and applied it to a design mark, stating that Canadian law "emphasizes the maintenance of identity and recognizability" and permits "cautious variations" if the "the same dominant features are maintained and the differences are so unimportant as not to mislead an unaware purchaser." Justice Hugessen also noted that the Canadian standard is not materially different from the American standard of "the same, continuing commercial impression." In this case, use of a "thin" penguin was enough to maintain a registration for a "fat" penguin. However, a change from a "walking" bear to a

"standing" bear, plus the word GRIZZLY was found to change the overall impressions of the mark, resulting in expungement in Parlee McLaws LLP v. Molson Canada (2007) 62 C.P.R. (4th) 199 (T.M.O.B. per Sprung).

Reversing the order of a trade mark can be fatal. The LEE RIDERS trade mark was expunged where the evidence showed RIDERS and LEE. (Clark Wilson v. Lee Canada (2007) T.M.O.B. No. 176 (November 1, 2007) (T.M.O.B. per Bradbury). In a similar vein, splitting SUNEXOTIC into 2 words, and adding a sun design to the word SUN meant that the trade mark lost its identity and was no longer recognizable (Oyen Wiggs Green & Mutala v. Rubicon Products Ltd. (2007) 65 C.P.R. (4th) 54 (T.M.O.B. per Savard). However, combining the words RAILTOWN (the registered trade mark was RAIL TOWN) was held to be of no consequence in Bennet Jones v. Glenda Dowie (unreported) [2009] T.M.O.B. No. 78 (April 30, 2009) (T.M.H.O, Barnett). Displaying the mark as CLASSIC, on one line, followed by SHAKERS COCKTAILS on the next, maintained the registration for SHAKERS CLASSIC COCKTAILS, as the mark remained "recognizable" (Boughton Law Corporation v. Kittling Ridge Ltd. (2007) 65 C.P.R. (4th) 116 (T.M.O.B. per Sprung).

Trade marks have been found not to be in use when the mark is altered by having material added, such that it is no longer the registered trade mark, but instead, a combination mark. Several cases have considered this. For example, in Nightingale Interloc Ltd. v. Prodesign Ltd. (1984), 2 C.P.R. (3d) 535 (T.M.H.O.), it was held that "use of a mark in combination with other material constitutes use of the 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." This is a question of fact dependent upon such factors as "whether the mark stands out from the additional material, for example by the use of different lettering or sizing...or whether the additional material would be perceived as purely descriptive matter or as a separate trade mark or trade name."

In 88766 Canada Inc. v. Coca-Cola Ltd (2006), 52 C.P.R. (4th) 50 (T.M.H.O., per Savard), the subject mark CLASSIC was held to stand out in terms of font and size from the text COCA-COLA; nevertheless, the Registrar found that it would not form a separate impression in the minds of the public and would be seen as tied to the words COCA-COLA. In the case, the Registrar followed its decision in Coca-Cola Ltd. v. Southland Corp. (2001), 20 C.P.R. (4th) 537 (T.M.O.B.), in which Martin found that registration No. 371,451 for COCA-COLA CLASSIC & Design did not constitute use of the trade mark CLASSIC "per se".

The placement of the TM/^{MC} and ® symbols should be done with care, as a Hearing Officer may take their use as a sign that the words proceeding them are being used as a trade mark. In Fasken Martineau DuMoulin LLP v. AGF Management Ltd. (2003), 29 C.P.R. (4th) 411 (T.M.H.O., per Savard), the registered trade mark was found to be in use when shown as MultimanagerTM Pool Selection and MultimanagerTM Profile, but not when used as AGF MultimanagerTM Class, since

the trade mark symbol would "probably be perceived as identifying AGF Multimanager". In Novopharm Ltd. v. Novo Nordisk Canada A/S (2005), 41 C.P.R. (4th) 188 (T.M.H.O., per Savard), the registered trade mark NOVOLIN-LENTE was held not be used when it appeared as NOVOLIN@geLENTE (the inclusion of "ge" was held to strengthen "the perceived disconnect between the elements of the registered trade-marks.") More recently, in Stikeman Elliott v. John Haydock (unreported) [2008] T.M.O.B. No. 57 (March 27, 2008) (T.M.H.O., per Sprung) the trade mark at issue was followed by the corporate designation of "Inc.". However, the insertion of the symbol ® between the trade mark and "Inc." was held to clearly convey to the purchaser that they are being presented with a registered trade mark that does not include "Inc."

The inclusion of descriptive words can be fatal: see Cassels Brock & Blackwell v. Relton Corporation (unreported) [2003] T.M.O.B. No. 6 (January, 2003) (T.M.H.O., per Savard), where use of CONCRETE TERMITE for tools was not held to be use of the trade mark TERMITE, per se.) Contrast these decisions with the decision in Dimock Stratton v. Cadman Manufacturing Company Limited [2007], 62 C.P.R. (4th) 216 (T.M.O.B., per Savard), where the registered trade-mark FOREVER for jewelry was engraved on the inside of rings along with the mark CNC. The Board found that the two markings appeared sufficiently spaced to support use of the mark FOREVER as registered and were not a composite mark as the requesting party asserted.

In Brouillette Kosie Prince v. Andrés Wines Ltd. (2004), 38 C.P.R. (4th) 424 (F.C.T.D., per Tremblay-Lamer J.), the Federal Court overruled the Hearing Officer and ordered the trade mark IN VINO VERITAS to be expunged, where the words appeared on the label but in a scroll within the coat of arms. While the Registrar held this was use, the Court found that the words could not be detached from the coat of arms, which was much larger than the mark.

Similarly, omitting elements of a trade mark can lead to a finding of the mark not being used. Use of HOUSTON and HOUSTON STEAK & CÔTES LEVÉES is not use of HOUSTON'S STEAKHOUSE AND RIBS/HOUSTON'S STEAK ET CÔTES LEVÉES (Baker & McKenzie v. 9127-6907 Quebec (2008(unreported) [2008] T.M.O.B. No. 174 (October 28, 2008) (T.M.O.B., per Spring). . Use of the word portion of a mark registered as a design mark has been held to not be use of the registered mark (Bereskin & Parr v. Star-Kist Foods, Inc. (2004), 37 C.P.R. (4th) 61 (T.M.H.O., per Savard). In Mendelsohn, Rosentzveig Shacter v. Parmalat Dairy & Bakery Inc. (2004), 40 C.P.R. (4th) 443 (T.M.H.O., per Savard), it was held that use of LA CRÈME was not use of LA CRÈME DU YOGOURT. Nor was it use of LA CRÈME DU YOGOURT & Design, even when it appeared in the same stylized font as the design mark. However, where colour was claimed as a feature of a mark but the example of use was in black and white, the mark was held to be used (Novopharm Limited v. Novo Nordisk A/S (unreported) [2005] T.M.O.B. No. 56 (April 29, 2005) (T.M.H.O., per Savard).

The Hearing Officers are also prepared to take into account the reasons for the change in the trade mark. In Marks & Clerk v. Rustom (2004), 37 C.P.R. (4th) 567 (T.M.H.O., per Savard) (aff'd 41 C.P.R. (4th) 236 (F.C.T.D., per Mosley J.)), the design mark NATURE'S CHOICE was modified by the removal of an eleven-point maple leaf and the addition of the abbreviation "Co." in order to comply with a demand from the Ministry of Agriculture. The fact that the deviation was made in order to comply with a government demand was a key consideration in the Hearing Officer's finding that the deviation was not such as to warrant expungement of the registration, as was the finding that the dominant features of the mark continued to be used. (See also Saccone & Speed Ltd. v. Registrar of Trade-marks (1982), 67 C.P.R. (2nd) 119 (F.C.T.D., per Cattanaach).

Of further note is Austin Nichols & Co. v. Cinnabon, Inc. (1998), 86 C.P.R. (3d) 241 (T.M.H.O., per Savard), citing language found in John Labatt Ltd. v. Molson Breweries, a Partnership (1992), 46 C.P.R. (3d) 6 (F.C.T.D., per Rouleau J.), rejecting a requesting party's argument that where a registrant has a series of closely related marks, it should be estopped from claiming that any variation from the mark as registered is insignificant. Moreover, Savard stated in obiter that where a party owns a number of associated marks which are not substantially different from one another, the use of one of these marks or a very similar mark may constitute use of each of the associated marks, provided of course that the deviation is such that no person would be deceived (but see Vanity Fair v. Manufacturier de Bas de Nylon Doris Ltée/Doris Hosiery Mills Ltd. (unreported) [1999] T.M.O.B. No. 115 (May 28, 1999) (T.M.H.O., per Savard), where Savard failed to deem that usage of one family mark constituted usage of all of the other family marks on the grounds that the marks differed substantially from those in use).

(b) Use as a Trade Mark and not a Trade Name

Several cases deal with trade name use, such as Road Runner Trailer Mfg. Ltd. v. Road Runner Trailer Co. Ltd. et al. (1984), 1 C.P.R. (3d) 443 (F.C.T.D., per Rouleau J.) and, recently, Shapiro Cohen Andrews & Finlayson v. 1089751 Ontario Limited (2003), 28 C.P.R. (4th) 124 (T.M.H.O., per Savard). The issue in determining use will be whether the trade mark "stands out" from the rest of the company name or address. In the latter case, where the trade mark LAUGHING STOCK was in the same size and lettering as the other elements of the corporate name (Laughing Stock (1995) Inc.), the trade mark was found not to be in use. See also Bull, Houser & Tupper v. Bulldog Bag Ltd. (1991), 40 C.P.R. (3d) 157 (T.M.O.B.). Applying Road Runner, the Hearing Office decided in Sunny Fresh Foods Inc. v. Sunfresh Ltd. (2003), 30 C.P.R. (4th) 118 (T.M.H.O., per Savard) that the use of the mark SUNFRESH did not stand out from the other corporate information listed on the packaging of food products since SUNFRESH was always printed with the word "Limited" following it. This case highlights the importance of properly using a mark: SUNFRESH was expunged for non-use

despite being applied to wares that had a sales total of over \$9.5 billion over five years.

Gowling Lafleur Henderson LLP v. Bulova Watch Co. (2006), 51 C.P.R. (4th) 470 (T.M.H.O., per Bradbury) is perhaps singular in finding that use of a corporate name on the top of invoices constitutes use of the trade mark (trade mark ART OF TIME appearing in greater prominence and creating a distinctive element of corporate name Art of Time Ltd.). Compare Sara Lee Corporation v. Naylor (2006), 52 C.P.R. (4th) 412 (T.M.H.O., per Savard), where the use of the trade mark on the top of the invoice was found not to be use as a trade name because it does not provide notice of association between the trade mark and any particular item. A similar finding, from the same Hearing Officer, is in Blake, Cassels & Graydon v. Seanix Technology (2007) T.M.O.B. No. 80 (May 31, 2007) (T.M.O.B. per Savard) where the use of SEANIX on the top of invoices and the phrase "Designed and Assembled by SEANIX in Canada" on wares was held not to be use of the mark.

4. Non-use

(i) Special circumstances

Under section 45(3) of the Act, the Registrar may refuse to expunge or amend a registered trade-mark if "special circumstances" exist to excuse the non-use. However, the trade mark owner must tell the Registrar when the mark was last used and the reasons for the non-use.

In Harris Knitting Mills, *supra*, the Federal Court of Appeal stated that special circumstances other than the deliberate decision by the trade mark owner to cease use are to be preferred. In Ridout & Maybee v. A. Lassonde Inc. (2003), 28 C.P.R. (4th) 559 (T.M.H.O., per Savard), the Hearing Officer suggested "three criteria must be considered: first, the period during which the trade-mark has not been in use; second, whether the reasons for which the owner did not use his mark were due to circumstances beyond his control; and third, whether the owner has shown that he seriously intended to begin using the mark again before long." In this case involving the OASIS trade mark, there was no indication of the last date of use. Also, evidence of non-use due to difficulty in finding distributors, suppliers or licensees, with no indication of the reasons for, or steps taken to overcome, such difficulties, was held against the registrant as it did not permit a determination of whether the circumstances were beyond the registrant's control. On the final point of steps taken to resume use, the affiant had attached a label proposed for use, which he stated was developed during "the relevant period" (i.e., the three-year term), and had alleged that the products would "be sold shortly". Without the date "when" the label was produced, or when sales were to

commence, the Hearing Officer held that there was no "serious intention to use the trade mark shortly".

A good example of such special circumstances is provided by Xentel DM v. Office of the Commissioner of Baseball (2002), 23 C.P.R. (4th) 570 (T.M.H.O., per Savard) where the mark ALL-STAR GAME was registered for entertainment services in the nature of the presentation and promotion of baseball games. Non-use was justified for eight years, since the ALL-STAR GAME event is only held once a year and its location is rotated at the discretion of the Commissioner of Basketball amongst 30 clubs, only two of which were in Canada.

Similarly, in Donahue, Ernst & Young v. Tystar Inc. (2005), 50 C.P.R. (4th) 51 (T.M.H.O., per Folz) the trade mark was associated with a defunct CFL football team. The team had folded and creditors acquired ownership in the marks. Since the league had not awarded the new owners a CFL franchise during the relevant time period, the new owners did not have an opportunity to use the mark in the normal course of trade. The Hearing Officer held that the League's decision not to award the owner a franchise during the relevant period constituted special circumstances excusing non-use but only with respect to entertainment services. However, the owner was able to demonstrate active steps to resume use through negotiations and the entry into a licensing agreement signed subsequent to the notice date. Because of the factual situation involving the owner entering into a one-year licensing agreement, a second section 45 notice was issued, which led to the subsequent expungement of the mark. As noted above, that practice has been disapproved by the Federal Court of Appeal.

For several years, decisions were issued maintaining registrations in the face of non-use, where the evidence showed an active intention to resume use manifest during the three year term prior to the notice. These cases did not focus on the reasons for non-use, but instead, what steps were being take to resume use.

In Oyen Wiggs Green & Mutala v. Pauma Pacific Inc. (1999), 84 C.P.R. (3d) 287 (F.C.A., per Marceau J.A.) the Registrar had found that the absence of use was "a voluntary decision", but nonetheless found special circumstances existed on the basis that in the two or three months prior to the date of the notice the registrant was taking active steps to resume use and that actual use occurred one month after the notice. The Registrar further noted that such an intention is especially important where non-use is for less than three years. In justifying an apparent departure from precedent, the Registrar declared that the trade mark was not "deadwood" and noted that he arrived at his conclusion keeping in mind the intent and purposes of Section 45. Both the trial and appeal courts affirmed the decision, with the Court of Appeal stating: "While it seems that the mere expression of an intention to reactivate could hardly be seen as sufficient to bring into play par. 45(3) of the Act, we are not prepared to dispute the position of the

Registrar that the actual realization of that intention by the taking of concrete steps prior to the notice would be sufficient.”

The Pauma, *supra*, decision was followed in Ridout & Maybee v. Sealy Canada Ltd. (1999), 87 C.P.R. (3d) 307 (F.C.T.D, per Lemieux J.). At the hearing level, the Registrar had found that the loss of the registrant’s exclusive retailer, combined with poor market conditions hampering efforts to find another exclusive retail partner constituted special circumstances. The Hearing Officer seemed most influenced by the fact that a new retail partner had been found just before the notice was issued and that use of the trade mark had resumed. The Trial Court, however, held that the Registrar erred in that there was not sufficient evidence to find that the non-use had been involuntary, but citing Pauma, *supra*, held that the steps taken prior to the notice and the subsequent sales were sufficient to excuse non-use.

However, in 2008, the Pauma decision was criticized by the Federal Court of Appeal, suggesting that there must be a focus on the reasons for non-use, and not what steps are being taken to resume use. The Federal Court of Appeal in Scott Paper Ltd. v. Canada (Attorney General) [2008] 65 C.P.R. (4th) 303 F.C. C.A., per Pelletier), declined to see a 13-year, voluntary period of non-use as special circumstances regardless of the registrant’s intention to resume use in the near future. Scott Paper, the owner of the mark in question, failed to provide any reasons for the absence of use. The Court re-examined the criteria for special circumstances from Harris Knitting Mills, *supra*, which held that special circumstances, which excuse the absence of use of the mark, must be the circumstances to which the absence of use is due. In other words, the special circumstances must explain the absence of use. In the Scott Paper, *supra*, case, the Court found the absence of use was not explained by a voluntary decision not to use the mark or by an intention to resume use of the mark in the near future. The Court declared that Oyen Wiggs Green & Mutala, *supra*, is not good law as it glossed over the Harris Knitting Mills, *supra*, criteria for special circumstances in holding that an intention to resume use amounts to special circumstances.

Accordingly, any case following the Pauma, *supra*, decision is probably no longer good law.

Also see Smart & Biggar v. John Forsyth Co. et al. (unreported) (2008) T.M.O.B. No. 85 (May 6, 2008) (T.M.O.B. per Barnett) for an analysis of the Scott Paper approach to non-use claims. The most important issue is the reasons for non-use – they must be exceptional, and beyond the trade mark owner’s control. The date of last use is required, as are steps taken to resume use, but such steps will help only if the non-use was due to exceptional circumstances.

Similarly, in 2001237 Ontario v. Apache-Minnesota Thom Mcan (unreported) [2003] T.M.O.B. No. 45 (T.M.H.O., per Savard), a corporate reorganization and

the inability to find potential distributors was insufficient to excuse non-use in the absence of evidence as to why potential distributors could not be found. In this case, the affidavit did set out steps taken to find a distributor, including telephone calls, meetings, visits with potential distributors in Canada, the United States and China, but three years had passed without use. The Hearing Officer suggested that the fact that Section 45 proceedings cannot be started for 3 years after registration is a "legislative indication" that this is "the maximum start-up time for a registrant to commence serious commercial use." She also seems to suggest that there needs to be an affirmative statement that use will shortly commence, perhaps suggesting that there are four, and not three, criteria where there is no use.

An intention to resume use, to be helpful, should be demonstrated before the date of the Section 45 notice. (See Fairweather v. Registrar of Trade-Marks and Bereskin & Parr (2006), 58 C.P.R. (4th) 50 (F.C.T.D., per Mactavish) affirmed (2007) 62 C.P.R. (4th) 266 (F.C.A. per Ryer), where the creation of labeling artwork prior to the notice was evidence justifying the Court to overturn the Registrar's decision.) Generally, activity occurring after the notice date that purportedly signifies an intention to resume use has been given little weight, and can actually be detrimental to the registrant's case, particularly when no satisfactory explanation is given as to why no such intention was shown in the period before the notice date. In Americal Corp. v. Wertex hosiery Inc. (2003), 27 C.P.R. (4th) 337 at 341 (T.M.H.O., per Savard), the Hearing Officer stated that the registrant had to show a serious intention to resume use prior to the date of notice and dismissed all post-notice evidence of intention.

In Smart & Biggar v. JemPak Canada Inc. (2001), 20 C.P.R. (4th) 176 (T.M.H.O., per Savard) "launch" activity occurring after the notice date was rejected as evidence of use and intent to use. Here, the registrant developed a detergent product to be sold under the relevant trade mark. The registrant gave out free samples and expected to receive orders for the product. But since the registrant's activities to market the product did not take place until after the date of the Section 45 notice, the mark was not maintained. The absence of a sufficient explanation for non-use coupled with the fact that marketing activities commenced only after the Notice, implied that the non-use was a deliberate and voluntary decision and not caused by circumstances beyond the registrant's control.

In another non-use case, the Hearing Officer looked at government and international health and licensing issues. In Cassels Brock & Blackwell LLP v. Montorsi Francesco E. Figli S.p.A. (2003), 29 C.P.R. (4th) 106 (T.M.H.O., per Savard) (aff'd (2004), 35 C.P.R. (4th) 35 (F.C.T.D., per MacKay J.)), the registrant acquired the DANIEL Design trade mark in 1994. San Daniele Ham is a regional food specialty, protected by a Denomination of Protected Origin under the European Community ("EU") registrations. The registrant had not sold ham in Canada, due to delays in complying with the requirements of the Canadian Food

Inspection Agency ("CFIA") and the EU. The requesting party argued that all businesses must comply with legal requirements, and failure to meet such requirements should not excuse non-use. It also argued that the period of non-use (over 6 years) was too long. However, the Hearing Officer held that non-use was beyond the registrant's control, and that it did have a serious intention to commence use in Canada soon.

Nevertheless, in noting that a foreign registrant ought not to be allowed to maintain a registration indefinitely, without use, the Hearing Officer decided to issue a second Section 45 notice, which also resulted in a decision maintaining the registration. The Hearing Officer found that delays in international negotiations on export of pork products justified non-use of the DANIEL Design trade mark, since they were clearly beyond the registrant's control (Registrar of Trade-marks v. Montorsi Francesco E Figli-S.p.A. (2007) 63 C.P.R. (4th) 255 (T.M.O.B. per Sprung)).

In Marks & Clerk v. S.C. Prodal 94 SRL (2005), 42 C.P.R. (4th) 279 (T.M.H.O., per Bradbury) the registrant believed he had to obtain an ISO 9001 certification prior to beginning sales of vodka in Canada. The Hearing Officer maintained the registration despite the fact that no documentary evidence was presented supporting the need for such certification and that, if such certification is a prerequisite to sales in all Canadian jurisdictions (which is not clearly the case), it is not a circumstance unique to the registrant. The fact that 16 months had elapsed between obtaining the certification and the issuance of the Section 45 notice was not fatal. The Federal Court upheld the Registrar's decision at (2006), 49 C.P.R. (4th) 196 (F.C., per Mosley J.; aff'd by 157 A.C.W.S. (3d) 163 (F.C.A., per Malone J.A.)), citing precedent for the notion that misunderstanding a legal requirement can excuse non-use and noted that the registrant was from an emerging nation and unfamiliar with Canadian legal requirements. Importantly, the Court noted that the reasons for non-use need not be unusual, uncommon or exceptional, but must be ones that do not exist in a majority of cases. (For commentary on the knowledge or understanding of the registrant, see Playboy Enterprises Inc. v. Germain (No. 1) (1987), 16 C.P.R. (3d) 495 (F.C.T.D., per Pinard J) where the Court refused to find non-use because the registrant had misinterpreted the provisions of Bill 101 of the Charter of the French Language and had translated a portion of his English trade mark into French. When claiming a legal impediment as a "special circumstance", the registrant will need to establish the basis of such claim (Ford Motor Company of Canada Ltd. v. SportsMark Inc(2006), 58 C.P.R. (4th) 87 (T.M.H.O, per Savard)).

For a case involving the excuse that there was threatened litigation over the trade mark use, see Bacardi & Company v. Jose Cuervo [2008] T.M.O.B. No. 152 (September 25, 2008) (T.M.O.B., per Sprung). The requesting party noted that the dispute involved use of a label, and the trade mark was only part of the label. The Hearing officer noted that the threat of litigation might justify non-use

for a short period, but lengthy non-use, without any adjustment in market activity, did not amount to special circumstances.

Where possible, a claim to "special circumstances" should show circumstances that are unusual or uncommon (but see Rogers, Bereskin & Parr v. The Registrar of Trade Marks (1987), 17 C.P.R. (3d) 197 (F.C.T.D., per Collier, J.), where poor market conditions along with renovations to the owner's plant were sufficient to show special circumstances). Where the circumstances are beyond the registrant's control but not unique to the registrant, special care should be taken to indicate exactly how those in events affected the registrant's inability to use the trade mark. In American Airlines, Inc. v. Plan B. Strategies Inc. (2005), 40 C.P.R. (4th) 269 (T.M.H.O., per Savard), the registrant claimed that the launch of his travel-related magazine was delayed "in view of the impact the events of September 11, 2001 had on the travel industry." This was not sufficient for the Hearing Officer, who noted that the affiant did not "specify any of the difficulties the registrant encountered or would have encountered if it had launched its product."

Similarly, in Gowling Lafleur Henderson LLP v. 374443 Ontario Limited (2008) (unreported) [2008] T.M.O.B. No. 175 (October 7, 2008) (T.M.O.B., per Bradbury) repeated promotional activities over 10 years that did not lead to sales, with no indication of use in the near future, were not found to be special circumstances. The Hearing Officer found that promotional materials were not "use" for the registered wares, and promotion does not qualify as use. Despite activities the registrant described as stonewalling by others, the non-use was not found to be beyond the registrant's control. Instead, it was noted that the industry in question (funerals) was hard to enter.

Illness of the registrant or trade mark owner may excuse non-use, especially in the case of a small business where, for example, the cost of hiring additional personnel could be considered a cost prohibitive alternative (see: Bereskin & Parr v. Barlett (2008), 70 C.P.R. (4th) 469 (T.M.H.O., per Barnett, where the Hearing Officer also held that serious illness can be exacerbated by market conditions also potentially amounting to special circumstances to excuse non-use). However, the intent to resume use must be substantiated with, for example, factual elements such as purchase orders or at least a specific date of resumption (Barlett, supra). In Cassels, Brock & Blackwell LLP v. Cash Banas (unreported) [2009] T.M.O.B. No. 38 (March 20, 2009) (T.M.H.O., per Bradbury) the trade mark owner provided a resumption date, but it was not a firm date since it depended on unknown agreements first being concluded. Accordingly, although the reasons for non-use of the mark due to illness for 12 years were shown to be beyond the control of the trade mark owner, the trade mark owner failed to show a serious intent to resume use of the trade mark.

(ii) Assigned Trade Marks

Where the trade mark in question has been assigned to the current owner prior to the Section 45 notice and use cannot be shown, the new owner need only account for non-use from the time of assignment (Arrowhead Spring Water Ltd. v. Arrowhead Water Corp. (1993), 47 C.P.R. (3d) 217 (F.C.T.D., per Rouleau J.).

Some decisions seem quite generous to new owners. For example, in Fact Company Inc. v. Sorel Corp. (2008) T.M.O.B. No. 14 (January 31, 2008) (T.M.O.B. per Sprung), the trade mark owner acquired the KAUFMAN Design registration from the bankrupt registrant 3 years prior to the issuance of the notice. Work "immediately" began to introduce boots, but new molds and machinery were required. Footwear didn't make it onto the market until 2 years after the notice (5 years after the acquisition). The Hearing Officer accepted these as special circumstances, noting the "concrete steps" to resume use during the 3 year period prior to issuance of the decision, its serious intention to resume use, and that the necessity for new equipment was beyond its control.

See also Sim & McBurney v. Hugo Boss AG (1996), 67 C.P.R. (3d) 269 (T.M.H.O., per Savard) (six months, difficulty finding supplier); Baker & McKenzie v. Garfield's Fashions Ltd. (1993), 52 C.P.R. (3d) 274 (T.M.H.O., Savard) (one year, technical difficulties); and Swabey Oglivy Renault v. Allianz Life Insurance Co. of North America (unreported) [1999] T.M.O.B. No. 51 (February 22, 1999) (T.M.H.O., per Savard) (15 months, long start-up process). In Bereskin & Parr v. Fairweather (2005), 40 C.P.R. (4th) 92 (T.M.H.O., per Savard) the Hearing Officer commented that six months of non-use following an acquisition of a mark from a receiver-in-bankruptcy was not an unreasonable period of non-use, but the registration was not maintained, in the absence of evidence of steps taken to renew use. This decision was subsequently reversed on appeal, as the new evidence before the Court established an ongoing intention on the part of the registrant to use the mark ((2006), 152 A.C.W.S. (3d) 505 2006 FC 1248 (F.C., per Mactavish J.)). Query – whether the Scott Paper decision, supra, is at odds with this finding.

Further, even in instances of assignment extremely close to the notice date, intention to use the trade mark must be evidenced by the registrant having taken "active steps" towards resuming use (Lang Michener v. Santel Communications Group (unreported) [1999] T.M.O.B. No. 113 (May 28, 1999) (T.M.H.O., per Savard) (three days) and WIPG AG v. Wico Distribution Corp. (1999), 2 C.P.R. (4th) 388 (T.M.H.O., per Folz) (19 days)). And in some cases assessing intention to resume, there has been more focus placed on the time that has elapsed from acquisition of the mark to the date a registrant's statutory declaration is sworn, as opposed to the date of the notice. For example, in Toagosei Co. v. Servicios Corporativos De Administracion GMZ, S.A. De C.V. (1999), 3 C.P.R. (4th) 275 (T.M.H.O., per Savard), although only approximately three months had passed since the trade mark acquisition, nine months had

passed from the assignment to the new owner swearing the Section 45 affidavit. And in Bereskin & Parr v. Hamac International Ltd. (1993), 3 C.P.R. (4th) 269 (T.M.H.O., per Savard), three months had elapsed from the acquisition to the notice date, but approximately eight to the swearing of the affidavit. In both cases the Officer cited the longer period as a sufficient period in which the owner could have taken “active steps” towards use.

5. Evidentiary Issues

(a) Complying with the normal rules of evidence

The normal rules of evidence apply to s. 45 proceedings. Accordingly, hearsay evidence is generally inadmissible, subject to the business records exception, and can only be permitted where the tests of reliability and necessity are met.

As discussed above, the affiant (witness) must have personal knowledge of the facts they seek to establish(see: Gowling Lafleur Henderson v. Esemex Corp. (2008), 70 C.P.R. (4th) 292 (T.M.H.O., per Sprung) where letters from customers saying they purchased trade marked wares were considered hearsay).

Caution should be used when the affiant is also the agent for the trade mark owner. In Perley-Robertson, Hill & McDougall LLP v. Olin Corporation (2008), 67 C.P.R. (4th) 234 (T.M.H.O., per Barnett), the trade mark owner filed an affidavit of an employee working for its agent of record. In particular, the affidavit was based upon information as proffered by trade mark owner’s U.S. agent, and was held to be hearsay, since the affiant did not have personal knowledge of the matters told to her by the U.S. agent. Further, the affiant was not an officer of the trade mark owner, nor had she indicated the grounds for belief that the facts stated in her affidavit were true. In Bereskin & Parr v. Movenpick-Holding (2008), 69 C.P.R. (4th) 243 (T.M.H.O., per Barnett) evidence from a third party-website, particularly the “Wayback Machine”, and customer comments appearing on third-party websites were also held to be hearsay and inadmissible, since they did not come from the business records of the trade mark owner or from the affiant’s personal knowledge. Further, the trade mark owner failed to address the reliability and necessity exceptions to the hearsay rule. In any event, the Hearing Officer held that the reliability of evidence from the “Wayback Machine” cannot be ascertained (but see the more recent decision in Royal Canadian Golf Assn. v. O.R.C.G.A (2009), 72 C.P.R. (4th) 59 (T.M.O.B., per Bradbury) where the Trade-marks Opposition Board accepted evidence from the “Wayback Machine”, while acknowledging there may be limitations to the accuracy of such evidence, including possible hearsay issues.

A rather harsh approach was taken in Miller Thomson Pouliot v. Oasis (unreported), [2009], T.M.O.B. No. 101 (June 25, 2009) (T.M.H.O., per Carrière).

In that case, the current trade mark owner acquired the mark within the relevant three-year period, and received the original registrant's sales information (which was consolidated into its own electronic records). As a result of the consolidation, the invoices produced from the electronic records, filed as evidence, included those issued by the previous owner. The evidence of use, which was provided by an employee of the current owner, who had no personal knowledge of the original owner's activities, was held to be hearsay. There was no specific evidence provided of sales by the current owner.

(b) Avoiding Ambiguity

In preparing evidence of use, careful attention must be paid to ensure that statements are unequivocal, for any ambiguity in an affidavit will be held against the affiant. This is especially true of section 45 proceedings, because the evidence submitted to the Registrar is not subject to cross-examination at the initial hearing. The Registrar is therefore under a "special duty" to ensure that reliable evidence is received. The new Practice Notice emphasizes quality over quantity (see para. III.2.)

If an affidavit is susceptible to more than one interpretation, the Registrar or court may adopt the interpretation adverse to the interest of the party in whose favour the document was made (see: Aerosol Fillers Inc. v. Plough (Canada) Ltd. (1979), 45 C.P.R. (2d) 194 (F.C.T.D., per Cattanach J.), affirmed by (1980), 53 C.P.R. (2d) 62 (F.C.A., per Thurlow C.J.), where the Court remarked that "the affidavit must be considered from the point of view of what it does not say" (Plough, supra at 67)). Thus, for example, in Plough, supra, the Court held that the statement that the registrant "is currently using and was on the [notice date] using the registration" was ambiguous as to whether the mark was being used prior to the notice date. Similarly, in Russell & DuMoulin v. Pedi-Pack (unreported) (March 25, 1998) (T.M.H.O., per Savard) the statement that the registrant had sold the registered wares on a "continuous basis" since the trade-mark's registration in the early 1980's and that sales continued to the date of the proceeding was held ambiguous in that it was not clear from the statement whether the products were sold in the relevant period of March 1991 to March 1994.

Generally, for the purposes of s.45 proceedings (as in oppositions) sworn statements must be granted substantial credibility (see: Bereskin & Parr v. Movenpick-Holding (2008), 69 C.P.R. (4th) 243 (T.M.H.O., per Barnett), but the statements have to be clear. In Perley Robertson, supra, statements made by the registered owner pertaining to use of the registered trade mark such as "as least as early as October 13, 2002" were held to be vague and ambiguous, particularly since that time period could conceivably encompass sales after the s.45 notice issued.

Uncertainty frequently arises in determining whether use of the trade mark on an invoice provides notification of association with wares “at the time of the transfer of property”. In Riches, McKenzie & Herbert v. Pepper King Ltd. (2000), 8 C.P.R. (4th) 471 (F.C.T.D.), Lemieux J. reversed the decision of the Registrar, and expunged the mark VOLCANO, because it was not clear from the evidence submitted that the invoices had accompanied the specified wares at the time of transfer of the wares. Lemieux J. held that, since the entire burden in Section 45 proceedings remains with the registered owner to prove that it has used the mark, the Registrar “was not entitled to assume the invoices accompanied the goods at the time of transfer.” But where the invoices indicate a shipment date that is identical to the invoice date and show that the invoices were sent to the same entity to whom the wares were shipped, the Registrar has made that assumption (Bereskin & Parr v. Star-Kist (2004), 37 C.P.R. (4th) 188 (T.M.H.O., per Savard)). The Registrar has made that assumption even where no date was mentioned on the invoice: Riches, McKenzie & Herbert LLP v. KOM Networks Inc. (2005), 51 C.P.R. (4th) 65 (T.M.H.O., per Bradbury) and LIDL Stiftung & Co. KG v. Joseph Rutigliano & Sons, Inc. (unreported) [2005] T.M.O.B. No. 196 (December 2, 2005) (T.M.H.O., per Bradbury), both citing Gordon A. MacEachern Ltd. v. National Rubber Co. Ltd. 41 C.P.R. 149 (Ex. Ct., 1963) (per Noel, J.) and McCarthy Tetrault v. Acer America Corp. (2003), 30 C.P.R. (4th) 562 (T.M.H.O., per Savard).

A further source of ambiguity is any discrepancy between the name of registrant and the trade name appearing on a product or invoice. Often the problem arises where an abbreviation of the full company name is used. In Joseph Rutigliano & Sons, Inc., *supra*, the Hearing Officer accepted that J. Rutigliano & Sons, Inc., appearing on wares and invoices, was an abbreviated version of the company name, but only because it was used in association with the exact address as listed on the trade mark registration and the full company was used on the packaging. The issue could likely have been avoided had the affiant clearly sworn that J. Rutigliano & Sons, Inc. was an alternate trade name. A similarly sympathetic conclusion was reached in Effigi Inc. v. Big Feats Entertainment, L.P. (unreported) [2006] T.M.O.B. No. 49 (March 17, 2006) (T.M.H.O., per Savard). Big Feats, an American company, sold products in Canada through Canadian distributors. The invoices submitted as evidence bore the name Hit Entertainment. Although the requesting party's representative argued that Hit Entertainment was a distributor, the Hearing Officer made her own inference that Hit Entertainment was the alternate trade name of the registrant “because the address for Hit Entertainment appearing at the bottom of each invoice is identical to the registered owner's principal place of business...and because there is absolutely nothing in the evidence clearly indicating that it is a separate legal entity from the registered owner.” The affidavit has also indicated that relevant invoice related to a direct sale, which the Hearing Officer interpreted to mean “directly by the registered owner”. In Belanger v. Toto Isotoner Corp. (unreported) [2008] T.M.O.B. No. 139 (August 28, 2008) (T.M.H.O., per Bennett), the invoices

filed by the trade mark owner included product codes which were described as corresponding to photographs of the registered wares. The invoices also showed sales to Canadian entities in the relevant period, and thus were held to show use of the mark in Canada.

(c) Technical Deficiencies in Completion of Affidavits

In both George Weston Ltd. v. Sterling & Affiliates (1984), 3 C.P.R. (3d) 527 (F.C.T.D.) and Baume & Mercier S.A. v. Brown carrying on business as Circle Import (1985), 4 C.P.R. (3d) 96 (F.C.T.D.), Joyal J. stated that the nature and purpose of section 45 proceedings dictate that the “technical requirements” of the provision should not become “a trap for the unwary” (George Weston, *supra* at 529 and Baume, *supra* at 98). Thus, in George Weston, *supra*, improper licensing of registrations were seen as technical shortcomings and were not an obstacle with respect to a trade-mark which had been obviously used by its rightful owner (the Court actually used “special circumstances” to excuse the shortcomings). In Baume, *supra*, the Court accepted into evidence a statement of use not in affidavit form. See also MacRae & Co. v. House of Horvath (2009), (T.M.O.B., per Barnett), where the Hearing Office accepted exhibits which had not been notarized.

In Legault Joly v. Akzo Nobel Coatings International B.V. (2002), 25 C.P.R. (4th) 277 at 279 (T.M.H.O., per Savard) an undated jurat on the affidavit in question was not fatal to the admissibility of the affidavit. In Sheldon S. Lazarovitz v. Red/Green of Scandinavia (unreported) (May 1, 1998) (T.M.H.O., per Savard), a party objected to an affidavit on the basis that the place where the affidavit was sworn was not clearly set out (although the fact that the place on the stamp appearing on the affidavit and exhibits was the same as that of the affiant’s address somewhat remedied the defect) and on the basis that the qualifications of the person before whom it was sworn were not set forth. The affidavit was nonetheless considered acceptable “for purposes of Section 45 proceedings”. In 88766 v. Thunder Tiger Model (unreported) [2004] T.M.O.B. No. 2 (January 15, 2004) (T.M.H.O., per Savard) it was noted that in the absence of a clear indication to the contrary, it is the Registrar’s practice to accept that affidavits taken abroad were made in accordance with the rules of the jurisdiction where they were taken. See also Fasken Martineau DuMoulin LLP v. In-N-Out Burgers (2007), 61 C.P.R. (4th) 183 (T.M.H.O., per Sprung), where two affidavits were submitted on behalf of the registrant from individuals in California. The requesting party had argued that the failure of the affidavits to make reference to having been made ‘under oath’ should render them inadmissible. The Hearing Officer concluded that the affidavits were acceptable for the purposes of the s. 45 proceeding in the absence of any evidence that they were not duly sworn and executed according to the laws of California.

In spite of these cases, Hearing Officers in Section 45 proceedings do indeed hold improperly filed evidence inadmissible. For example, Savard in Performance Apparel v. Uvex Toko Canada (2002), 25 C.P.R. (4th) 284 (T.M.H.O., per Savard), refused to accept an uncommissioned affidavit, or to consider such document a statutory declaration (Section 45 refers to the filing of an affidavit or statutory declaration). The Hearing Officer stated that the swearing, declaring and commissioning of an affidavit is not a technical requirement that can be waived by the Hearing Officer. The Federal Court allowed in part an appeal of that case but did so on the basis of the new evidence submitted (in the form of a commissioned affidavit) and did not discuss the Hearing Officer's ruling with regards to evidentiary requirements ((2004), 31 C.P.R. (4th) 270). Savard, without comment, also disallowed unnotarized/unsworn letters and accompanying exhibits in Perley-Robertson Panet Hill & McDougall v. Early Morning Productions Inc. (1998), 87 C.P.R. (3d) 347 (T.M.H.O.). In Gowling Lafleur Henderson v. 81392 Canada (2008), (per Carriere), a "statutory declaration" was missing any "declaration", a deficiency found to be not merely technical. Similarly, in Indian Motorcycle v. Empire Tobacco (unreported), [2006] T.M.O.B. Nos. 192 and 193 (T.M.H.O., per Sprung) a document described as an affidavit, signed and commissioned, did not contain a *jurat*, and thus was considered inadmissible, with the result that the registration was expunged. In Sim & McBurney v. Home Management Systems Inc., (2003), 31 C.P.R. (4th) 393 (T.M.H.O., per Savard), evidence introduced with a written argument was disregarded as being filed outside the statutory time limit, and not by way of affidavit or statutory declaration. Also held inadmissible was an unnotarized, unsworn document entitled "statutory declaration" in Smart & Biggar v. Quality Craft Importers (unreported) [1999] T.M.O.B. No. 225 (T.M.H.O.).

With respect to improperly notarized exhibits, in Permanent Developments Inc. v. Gants Laurentide Ltee. (2003), 27 C.P.R. (4th) 166 at 170 (T.M.H.O., per Savard) a discrepancy in the dates of swearing in the affidavit and exhibits was ignored, as the registrant provided an adequate explanation for the discrepancy. The affidavit was notarized twice on two separate days as a result of the notary not being in possession of the original exhibits the first time, but only photocopies. A mix-up ensued when the wrong affidavit was matched to the notarized exhibits sent to the registrar for filing. Similarly, in Phillips, Friedman, Kotler v. Acme Bedding & Felt Co. Ltd (unreported) [1999] T.M.O.B. No. 229 (T.M.H.O., per Savard), the fact that exhibits were not properly notarized was seen as a mere technicality, as they were properly identified in the affidavit. The Hearing Officer stated that it felt the insufficiency "should not prevent the registrant from succeeding (Phillips, *supra* at par. 8). However, the fact that one of the exhibits identified in the affidavit as labels also enclosed materials not mentioned in the affidavit, was seen as more than a technical deficiency, and the Officer therefore disregarded the unidentified exhibit materials.

On balance, the case law arguably suggests that whether improperly filed evidence will be accepted will depend on the equities of the case and the existence of other factors that indicate the evidence is trustworthy.

6. Appeal of s.45 Decisions

The decision of the Registrar to maintain, expunge or amend the registration may be appealed to the Federal Court of Canada (s. 56 of the Act). Appeals must be filed in accordance with the Federal Courts Act and the Federal Courts Rules and filed with the Registrar in accordance with s. 56(2) of the Act (new Practice Notice, *supra* at par. X).

New evidence from the registrant may be presented to the Court on an appeal from the Registrar's decision (Woods Canada Ltd. v. Lang Michener (1996), 71 C.P.R. (3d) 477 (F.C.T.D., per Jerome A.C.J.)), and this is so even where the trade mark owner failed to file evidence of use before the Registrar (Austin Nichols & Co. v. Cinnabon, Inc. (1998), 82 C.P.R. (3d) 513 (F.C.A., per Décary J.A.); and Brain Tumour Foundation of Canada v. Starlight Foundation (2001), 11 C.P.R. (4th) 172 (F.C.A., per Richard C.J.)). Austin Nichols was followed in Tint King of California Inc. v. Canada (Registrar of Trade Marks) (2006), 56 C.P.R. (4th) 223 (F.C., per Russell J.). The applicant in that case, the registrant's widow, was allowed to file evidence in the appeal before the Federal Court even though no evidence had been filed before the Registrar. Due to the recent death of her husband, the widow had not checked her late husband's mail, and did not respond to the s. 45 notice until after the mark had been expunged. The court concluded that Austin Nichols stood for the proposition that a registered owner has, on appeal, the same opportunity to file evidence as before the Registrar. See also Baxter International Inc. V. P.T. Kalbe Farma TBK (2007), 157 A.C.W.S. (3d) 632 (F.C., per Pinard J.).

However, if new evidence is filed on appeal, the requesting party may cross-examine. In Borden Ladner Gervais LLP v. House of Kwong Sang Hong International Ltd. (2001), 16 C.P.R. (4th) 51 (F.C.A., per Décary J.A.) the Court held that a trade mark owner's affidavit filed on appeal may be cross-examined. In doing so, the Court adopted the reasoning in Sim & McBurney v. Microtel Ltd. (2000), 7 C.P.R. (4th) 260 (F.C.T.D., per Hansen J.) where it was noted that to permit cross-examination does not alter the summary nature of the case, and if there are ambiguities in the affidavit, it is preferable to have clarification, rather than leave the court "speculating" as to the factual situation. See also Guido Berlucchi & C.S.r.l. v. Brouillette Kosie Prince (2007), 56 C.P.R. (4th) 401 (F.C., per Gauthier, J.), and Admiral Sanitation Ltd. v. Bid D Industries Inc. (1989), 28 C.P.R. (3d) 538 (F.C.T.D., per Addy J.).