



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

Citation: 2014 TMOB 185
Date of Decision: 2014-08-29

**IN THE MATTER OF SECTION 45 PROCEEDINGS
requested by Lapointe Rosenstein Marchand Melançon
LLP against registration Nos. TMA166,350, TMA168,489,
TMA168,409 and TMA167,008 for the trade-marks
BRAZIER and BRAZIER & DESIGN in the name of
American Dairy Queen Corporation**

[1] At the request of Lapointe Rosenstein Marchand Melançon LLP (the Requesting Party), the Registrar of Trade-marks issued notices under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to American Dairy Queen Corporation (the Owner), the registered owner of registration Nos. TMA166,350 and TMA168,489 for the trade-mark BRAZIER, and registration Nos. TMA167,008 and TMA168,409 for the trademark BRAZIER & DESIGN, shown below:



[2] Registration Nos. TMA168,489 (BRAZIER) and TMA167,008 (BRAZIER & DESIGN) are registered in association with the following wares:

- (1) Coffee, tea, milk, milk based beverages, hot chocolate, sandwiches including fish sandwiches, beef sandwiches, pork sandwiches, hamburger sandwiches, cheeseburger sandwiches, hot dog sandwiches and barbeque sandwiches, onion rings, cooked potatoes, fish and shrimp; condiments, namely, catsup, mustard, pickles, relish, salt and pepper.
- (2) Frying and cooking units, griddles, hot plates, and food warmers; refrigerators and walk-in cooling units; apparatus for vending and dispensing hot and cold beverages.

[3] Registration Nos. TMA166,350 (BRAZIER) and TMA 168,409 (BRAZIER & DESIGN) are registered in association with the following services:

The services of instituting, developing promoting and establishing a franchise business which franchise business consists of providing a system to enable persons to establish and operate retail outlets for the sale of various products and which includes the establishment of uniform and distinctive types of retail outlets, equipment furnishings and facilities; the adoption of high quality and uniform product lines made from authorized ingredients and supplies in accordance with prescribed formulas and menus; the development of new product lines; the training of store personnel and management; the furnishing of materials and teaching of uniform merchandising and business techniques of store operation, management and customer relation; and the preparation and dissemination of advertising and promotional programs and materials developed from time to time and in which certain dairy products, food products, beverages and other products are sold under prescribed trade marks.

[4] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified in the registration at any time within the three year period immediately preceding the date of the notice and, if no such use has occurred, to identify the date when the trade-mark was last in use and the reason for the absence of use since that date. With respect to registration No. TMA168,489, the relevant period for showing use is between April 4, 2009 and April 4, 2012; for the remaining registrations, the relevant period is between April 5, 2009 and April 5, 2012.

[5] The relevant definitions of “use” for wares and services are set out in section 4(1) and 4(2) of the Act:

4(1) A trade-mark is deemed to be 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 other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

4(2) 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.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is quite

low [*Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the wares and services specified in the registration during the relevant period. With respect to services, the registered owner does not need to show actual performance, but instead only needs to show that it was willing and able to perform the services in Canada during the relevant period [see *Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[7] In response to the Registrar's notices, the Owner furnished affidavits of Kerry Olson, Vice President, Assistant General Counsel, of International Dairy Queen, Inc., sworn on October 29, 2012. I note that the affidavits furnished in response to each notice are substantively identical. Only the Owner filed written representations; an oral hearing was not held.

[8] The evidence is also identical to that furnished in the concurrent section 45 proceeding for registration No. TMA137,134 for the certification mark BRAZIER. A separate decision will issue for that registration.

Evidence Furnished by the Owner

[9] From the evidence, it appears that the Owner operates various fast food franchise restaurants throughout Canada and the United States using a variety of trade-marks, including DAIRY QUEEN, ORANGE JULIUS, and DAIRY QUEEN/BRAZIER. In describing the Owner's normal course of trade, Ms. Olson explains that the Owner has licensed Dairy Queen Canada Inc. [DQC] to use and sublicense its BRAZIER marks in Canada. In turn, DQC has licensed its franchises in Canada to use the marks.

[10] Ms. Olson attests that the Owner is a wholly-owned subsidiary of her company, International Dairy Queen, Inc. She explains that DQC is also a wholly-owned subsidiary of her company and attaches, as Exhibit B to her affidavit, a Territory Agreement to show that the Owner and DQC are affiliated as sister companies.

[11] Ms. Olson further attests that the Owner has indirect control of the character and quality of the wares and services associated with the BRAZIER marks. In support, she provides Exhibit D, which is a copy of an Operating Agreement that in part outlines the relationship between the Owner and DQC. Included in the agreement are details regarding the control exercised by the Owner over the wares and services provided by DQC's franchisees.

[12] In view of Ms. Olson's statements and supporting exhibits, I am satisfied that any use of the BRAZIER marks by DQC or its licensed franchisees during the relevant period enured to the benefit of the Owner in accordance with section 50 of the Act.

[13] With respect to whether the BRAZIER marks were used in association with the wares and services specified in each registration, the remaining exhibits attached to Ms. Olson's affidavit are as follows:

- Exhibit C is a document that Ms. Olson identifies as a Signage Report listing 27 franchise restaurants from across Canada that displayed the BRAZIER marks during the relevant period. Despite Ms. Olson's assertion, I note that the column labelled "Brazier & Design?" would appear to indicate that no franchises displayed the BRAZIER & DESIGN mark as registered. This is consistent with the evidence shown in Exhibits E and F, described below.
- Exhibit E is a series of photographs of exterior signage at six Canadian Dairy Queen/Brazier franchise restaurants. The signs are similar to the drive-thru signs shown in Exhibit F below. The signs are made up of two elements, with the DAIRY QUEEN logo appearing above or beside the BRAZIER logo, which itself is displayed on a separate yellow background at some locations. As depicted below, the font of the BRAZIER logo on these signs is the same as the font of the BRAZIER & DESIGN mark. However, the ellipse outline only appears as the background of the DAIRY QUEEN portion of the signs. Only one of the photographs bears a date, but Ms. Olson attests that the photographs were taken during the relevant period.
- Exhibit F is another series of photographs which Ms. Olson attests are representative of how franchise restaurants which have drive-thru windows display the BRAZIER marks. A sample photograph from Exhibit F is shown below:



- Exhibit G is a Franchise Disclosure Document dated April 7, 2011, which Ms. Olson attests “is provided to prospective franchisees across Canada”; the document appears to outline the rights and responsibilities of franchisees. I note that the document displays a number of the Owner’s trade-marks, such as the DAIRY QUEEN, DQ GRILL & CHILL and DQ ORANGE JULIUS logos. However, no BRAZIER logo is displayed, and the word BRAZIER itself is only displayed within the text of the document, most often in the form of “Dairy Queen®/Limited Brazier®”. Further, page 5 of the exhibit indicates that Brazier franchises are being phased out by the Owner in favour of DQ Grill & Chill restaurants: “...DQC is not offering new Dairy Queen®/Limited Brazier® franchises as of the date of this Disclosure Document...”; as well, the following is stated on page 6: “DQC has granted franchises in Canada to others to conduct ... the Brazier® business from 1963 to 2004 and the Dairy Queen®/Limited Brazier® business since 1973.”
- Exhibit H includes four samples of Design Services Agreements that Ms. Olson attests are actual agreements that DQC entered into with four of its franchisees. She states that the agreements were used “during the performance of the services of instituting, developing, promoting and establishing a franchise”. The agreements appear to outline the construction and renovation services that DQC offers to its franchisees. Ms. Olson attests that BRAZIER appears on the second page of each agreement; however, similar to Exhibit G, BRAZIER is only displayed in the form of “Dairy Queen® Limited Brazier®”. This appears as a check box option in a section of the agreement that identifies the type of franchise to which the agreement pertains. Five checkbox options appear for the various franchise restaurant names, including the aforementioned Dairy Queen and Orange Julius. I note that none of the agreements have the box checked for Dairy Queen/Brazier franchises; further, two of the

agreements were signed before the relevant period. The two agreements that were signed during the relevant period appear to relate to DQ Grill & Chill franchises.

- Exhibit I consists of a document entitled “Application for Design”. Ms Olson attests that a franchisee or potential franchisee would complete this application before entering a Design Services Agreement (Exhibit H). She indicates that BRAZIER is displayed in Exhibit I as part of a “checklist of Existing Brazier® Equipment (to be reused)”. In contrast to the agreements at Exhibit H, the exhibited application has not been completed and Ms. Olson does not provide details regarding the document’s distribution during the relevant period or otherwise.

Use of BRAZIER & DESIGN as Registered

[14] As shown in the photographs at Exhibits E and F, the BRAZIER logo displayed does not appear exactly as it is registered in registration Nos. TMA167,008 and TMA168,409. In this respect, the trade-mark as displayed lacks the ellipse design element. Indeed, as noted above, the Exhibit C Signage Report would appear to indicate that there were no franchises displaying the BRAZIER & DESIGN mark as registered. Nevertheless, in applying the principles set out in *Registrar of Trade Marks v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA) and *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA), I find that the dominant features of the BRAZIER & DESIGN mark as registered, namely the word BRAZIER, in the particular font, has been maintained and the omission of the ellipse border is a minor deviation. Therefore, I find that display of the BRAZIER logo on the restaurant signage constitutes display of both BRAZIER marks. I will now analyze whether the marks were displayed in association with the particular wares and services in the respective registrations.

Use of the Marks in Association with the Services (TMA166,350 and TMA168,409)

[15] Ms. Olson provides no specific statements in her affidavit regarding actual performance of any of the franchise services as registered in Canada during the relevant period. For example, she gives no details as to occasions when the Owner or DQC performed “training of store personnel” for any of its franchisees during the relevant period in association with the BRAZIER

marks. Rather, as described above, the Owner has provided a number of franchise related documents (Exhibits G, H and I) to support its assertion of use of the marks in association with its various registered franchise services. For the reasons set out below, I consider such evidence inadequate to maintain these registrations.

[16] In this respect, Ms. Olson attests that the Exhibit G Franchise Disclosure Document was provided to prospective franchisees during the relevant period and that the BRAZIER marks are displayed repeatedly throughout the document. However, while the first page of the document displays a number of trade-marks including the logos for DAIRY QUEEN, DQ GRILL & CHILL, and DQ ORANGE JULIUS, the BRAZIER logo does not appear. Indeed, on the first page of the document, the word BRAZIER is only displayed in the form of “Dairy Queen®/Limited Brazier®”. In my view, this is not display of either of the registered BRAZIER marks. Where “Brazier®” alone does appear, the document indicates to prospective franchisees that use of the BRAZIER marks is being discontinued in favour of its DQ GRILL & CHILL brand.

[17] Even if I were to consider the word mark BRAZIER as being displayed in the document, Ms. Olson does not provide specific details regarding the document’s distribution during the relevant period. Notably, she provides no details regarding who used the document or the context of its “use”. The exhibit would have been more compelling if there was evidence that a particular franchisee had seen the document or that a new BRAZIER franchise had been opened during the relevant period. As noted above, pages 5 and 6 of the document itself would seem to indicate that new BRAZIER franchises were not being offered since 2004. This supports the inference that DQC was not performing its franchise services in association with the BRAZIER marks during the relevant period.

[18] Furthermore, Ms. Olson only implies that an Application for Design (Exhibit I) was completed during the relevant period, suggesting that a franchisee “must” complete this application at some point “before” entering into a Design Services Agreement with DQC (examples of which were provided at Exhibit H). As such, it is not clear that any franchisee did, in fact, use or complete the application during the relevant period, whether in association with a BRAZIER franchise or one of the Owner’s other brands.

[19] Finally, as noted above, with respect to the two Design Services Agreements from the relevant period at Exhibit H, it appears that these agreements were prepared in relation to “DQ Grill & Chill®” locations. Absent further particulars from Ms. Olson, the fact that neither agreement was completed in relation to a “Dairy Queen® Limited Brazier®” location, together with the inference drawn from Exhibit G that no BRAZIER franchises were being opened during the relevant period, supports the conclusion that the BRAZIER marks were not actively being used in association with any of the franchise services listed in the registrations.

[20] Further, in my view, the mere existence of a BRAZIER franchise restaurant during the relevant period does not constitute use of the BRAZIER marks with respect to the specific franchise services as registered within the meaning of sections 4 and 45 of the Act.

[21] In view of the foregoing, I am not satisfied that the Owner has demonstrated use of the BRAZIER marks in association with any of the services as registered. Furthermore, as the Owner did not provide any evidence of special circumstances to justify non-use, these registrations will be expunged.

Use of the Marks in Association with the Wares (TMA168,489 and TMA167,008)

[22] With respect to the various appliance wares as set out in wares (2) for these registrations, there is only a brief mention in Ms. Olson’s affidavit, with no evidence of actual transfers of such wares during the relevant period or otherwise. In the absence of evidence that the Owner was creating new BRAZIER franchises during the relevant period, I cannot infer that any such wares would have been transferred during that period as part of the initial set up of such franchises. In any event, there are no particulars regarding how the BRAZIER marks would have been associated with these wares. As no evidence of special circumstances excusing non-use is before me, the registrations will be amended to delete wares (2).

[23] With respect to wares (1), being various food, beverage and condiment wares, the Owner submits that there is use of the BRAZIER marks where they are “so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.” In this respect, the Owner relies on certain jurisprudence to support its contention that the exterior restaurant signage shown in Exhibits E and F, being displayed at the time of

transfer of any food items ordered by customers, is sufficient to satisfy the association requirement set out in section 4(1) of the Act.

[24] With respect to whether transfers of these food, beverage and condiment wares actually occurred during the relevant period, the Owner has not furnished any invoices or sales figures showing that any particular items were in fact sold. The only statement that Ms. Olson makes to indicate that food and beverage items were transferred to customers during the relevant period is as follows: “the Registered Marks were prominently displayed and visible during the Relevant Period when customers ordered, paid for and received food and drink items, namely...”; Ms. Olson then lists these items, notably omitting the registered wares “beef sandwiches, pork sandwiches and barbeque sandwiches”.

[25] The evidence in this respect is borderline and I echo the Registrar’s sentiments from *MacBeth & Johnson v Dylex Ltd*, (1997) CarswellNat 3442 (TMOB):

I would caution the registrant that the evidence furnished in this case barely meets the evidentiary threshold required in Section 45 proceedings. The [affidavit] is vague in several respects, particularly regarding which of the registered wares were sold during the relevant period ... It is difficult to comprehend why the registrant has chosen to risk leaving such matters to be inferred by the Registrar when the registrant could have easily provided the relevant facts ... Although I have concluded that use has been shown ... I have reached this conclusion not without difficulty, as the evidence furnished in this case is so borderline. [at paragraph 26]

[26] Nonetheless, while the Owner does not provide particulars regarding the quantity and manner of sales of the wares, it is reasonable to infer that at least some food and beverage items were sold in the normal course of trade considering the number of franchises that were operating during the relevant period [see *Eclipse International Fashions Canada Inc v Shapiro Cohen* (2005), 48 CPR (4th) 223 (FCA), which provides that reasonable inferences can be made from an affiant’s statements]. Further, no one type of evidence is required in these proceedings and the lack of invoices is not necessarily fatal [see *Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)]. However, as described below, with respect to “milk” and “condiments”, I am not prepared to conclude that such transfers were necessarily transfers *in association with the Marks*.

[27] In this case, Ms. Olson's affidavit only refers to exterior signage and is silent with regard to interior signs or displays. As such, the Owner relies on its signage to establish association with the food and beverage items ordered by customers, submitting that customers would see the drive-thru BRAZIER signage when making and receiving orders. The jurisprudence cited in the Owner's written representations focuses on interior signage or in-store merchandise displays. For example, one case concluded that a "shelf-talker", which is an interior display that holds wares and coupons displaying the trade-mark, is sufficient to show use of a trade-mark [*General Mills Canada Ltd v Procter & Gamble Inc* (1985), 6 CPR (3d) 551 (TMOB)]. Another case cited by the Owner concluded that a secure display case used to hold sunglasses which bore the relevant trade-mark showed use [*Canadian Council of Professional Engineers v Randolph Engineering Inc* (2001), 19 CPR (4th) 259 (TMOB)].

[28] However, the Registrar has previously found that, in a restaurant context, displaying a trade-mark on signage was only sufficient to establish use in association with those food wares that were prepared on the premises [see *Oyen Wiggs Green & Mutala v Aimers* (1998), 86 CPR (3d) 89 (TMOB)]. The Registrar found that certain items such as drinks would bear their own trade-mark, and thus customers would not necessarily associate the item with the trade-mark in question. This is akin to a department store where the wares sold in the store are not necessarily associated with the retailer itself.

[29] In the present case, the Owner has not furnished evidence regarding packaging or how the ordered food and beverage items were presented to customers. This makes it difficult to conclude that the BRAZIER marks would have necessarily been associated with the wares at the time of transfer. Consistent with *MacBeth & Johnson, supra*, I question why the Owner would risk leaving such matters to be inferred by the Registrar.

[30] Nevertheless, in the absence of representations from the Requesting Party and in view of the totality of the evidence, I am prepared to make some inferences favourable to the Owner [per *Eclipse International, supra*]. In this respect, I note that the franchising document at Exhibit G includes menus listing certain food items, such as hamburgers and fish sandwiches. It stands to reason that hamburgers and other similar food items would have been prepared on the premises and would therefore be associated with the BRAZIER marks as displayed on the signage [per

Aimers, supra]. In my view, these wares would be as follows: coffee, tea, milk based beverages, hot chocolate, sandwiches including fish sandwiches, hamburger sandwiches, cheeseburger sandwiches, and hot dog sandwiches, onion rings, cooked potatoes, fish and shrimp.

[31] However, I am not prepared to infer that “milk” and “condiments” would have been prepared on the premises. Milk is a product often sold in individual cartons. As such, in contrast to “milk based beverages” (appearing as “Shakes/malts” in the Exhibit G menus), which would have some preparation on premises, it is reasonable to consider that the franchisees were merely selling the milk of others.

[32] Further, the same Exhibit G menus do not list or reference any condiments. As noted above, the affiant gives no details regarding how condiments are ordered or served to customers. As condiments on their own are not necessarily prepared foods or available separately, I am not prepared to infer that customers would associate the BRAZIER marks with any condiments available at the franchise restaurants.

[33] As a result, along with the aforementioned “beef sandwiches, pork sandwiches and barbeque sandwiches”, I am not satisfied that the Owner has demonstrated use of the BRAZIER marks in association with “milk” and “condiments, namely catsup, mustard, relish, pickles, salt and pepper”. As there is no evidence of special circumstances excusing non-use before me, the registrations will be amended accordingly.

Disposition for registration Nos. TMA166,350 (BRAZIER) and TMA168,409 (BRAZIER & DESIGN)

[34] Pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, registration Nos. TMA166,350 and TMA168,409, being registered in association with various franchise services, will be expunged.

Disposition for registration Nos. TMA168,489 (BRAZIER) and TMA167,008 (BRAZIER & DESIGN)

[35] Pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, registration Nos. TMA168,489 and TMA167,008 will be

amended to delete wares (2) and the following from wares (1): "... milk, ... beef sandwiches, pork sandwiches, ... barbeque sandwiches ...; condiments, namely, catsup, mustard, pickles, relish, salt and pepper."

[36] The amended statement of wares for both registrations will be as follows: Coffee, tea, hot chocolate, sandwiches including fish sandwiches, hamburger sandwiches, cheeseburger sandwiches, and hot dog sandwiches, onion rings, cooked potatoes, fish and shrimp.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office