SECTION 45 PROCEEDINGS
TRADE-MARK: AZZARO
REGISTRATION NOS.: 243774 and 323537

On April 19, 1996, at the request of Messrs. Goodman Phillips & Vineberg, the Registrar forwarded Section 45 notices to Parfac Parfums & Accessoires GmbH & Co. KG, the registered owner of the above-referenced trade-mark registrations. On May 15, 1997, Loris Azzaro B.V. was recorded as owner.

The trade-mark AZZARO is registered for the following wares:

Registration No. 243,774:

> (1) Perfume and eau de toilette. (2) Deodorants and soap; a line of men's cosmetics, namely, eau de toilette after-shave lotion, after-shave spray; brushless shaving cream, lather shaving cream, soap and deodorants. (3) Shawls, ties, handkerchiefs; belts; leather goods for women and men, namely handbags, suit-cases, wallets, purses; diaries; metal articles, namely cuff-links, scarf pins, bunch of keys; toilet cases.

Registration No. 323,537:

> (1) Pullovers, sweaters, dresses. (2) Handbags, purses, belts. (3) Earrings. (4) Dresses with built-in bras. (5) Square-pearl belts. (6) Tunics, jackets, bras. (7) Turtle-necks dresses. (8) Vests with sleeves, pants, scarves. (9) Jersey dresses. (10) Eyeglasses. (11) Perfumes, toilet waters. (12) Deodorants, soaps; a line of men's cosmetics, namely, toilet water, after-shave lotion, after-shave spray, brushless shaving cream, lather shaving cream. (13) Women's clothing, namely, evening dresses, cocktail dresses, short and long town dresses, short and long town trousers, short trousers, shorts, long evening trousers, night dresses, night negliges, short and long petticoats, brassieres, corsets, slips, panties; men's clothing, namely, suits, shirts, trousers, underclothes, pyjamas, dressing gowns, coats, raincoats; wool garments, namely, pullovers, jackets; beach clothing, namely, swimming suits, cover-ups; accessories, namely, hats, caps, scarves, silk square scarves, soles, shoes, gloves, ties, sock garters.

In response to the Registrar's notices, affidavits of C.J. Visser were furnished. Each party filed a written submission and was represented at an oral hearing.

At the hearing, counsel for the registrant conceded that with respect to Registration No. 323537, use has not been shown with respect to wares marked (1) to (9) and (13), and that with respect to Registration No. 243774, use has not been shown with the wares listed in category (3). Consequently, these wares will be deleted from the respective registrations.

The arguments raised by the requesting party may be summarized as follows: the registrant has

not provided any cogent evidence concerning the transfer of the trade-mark to Loris Azzaro B.V.; it is unclear whether Mr. Visser was in a position to testify on behalf of Loris Azzaro B.V.; the evidence furnished consists of hearsay evidence; and, any use shown is not use by the registered owner.

Concerning the assignment of the trade-mark to Loris Azzaro B.V., the Office recorded the assignment on May 15, 1997, *nunc pro tunc* October 3, 1995.

The requesting party argues that the alleged transfer of ownership does not meet the test set out by the Federal Court of Appeal in *Marcus, carrying on business as Marcus & Associates* v. *Quaker Oats Co. of Canada*, 20 C.P.R.(3d) 46. It submits that there is a heavy onus on the registrant in a Section 45 proceeding to set out the circumstances surrounding the transfer of the trade-mark and to provide cogent evidence of the transfer.

In my view, the *Marcus case, supra* would appear to have affirmed the jurisdiction of the Registrar in a Section 45 proceeding to decide the effect of an assignment. As a result, I consider the matter of the assignment of the registered trade-mark can be reviewed in the present proceedings.

In the document of record executed on December 6, 1996 by the assignor and on April 16, 1997 by the assignee, which document was filed with the Trade-marks Office on April 18, 1997, such document appears to confirm an assignment of rights in the registered trade-mark which took place in September or in October of 1995, i.e., prior to the notice date (I am surprised that the exact date was not provided in such document). However, as the document appears to confirm an assignment that occurred prior to the notice date, I find the situation to be different from that which occurred in *Marcus, supra*, since in *Marcus* there was no confirmation of an assignment having taken place prior to the date of the Section 45 notice. Rather, in *Marcus*, the *nunc pro tunc* document purported to retroactively assign a trade-mark instead of being a confirmation of an assignment that had occurred previously.

As on the face of the record, there is acceptable confirmation of an assignment that took place prior to the notice date, I find there was no need for the registrant, for purposes of the present proceedings, to demonstrate the circumstances surrounding the assignment. In this regard, I rely on the case *Quarry Corp.* v. *Bacardi & Co.*, 72 C.P.R.(3d) 25. Consequently, I accept that Loris Azzaro B.V. has been owner since at least October, 1995.

Concerning whether Mr. Visser was in a position to testify on behalf of the registrant (Loris Azzaro B.V.), although I agree that Mr. Visser could have been more precise concerning his position with the registrant company, I think it reasonable to infer that as Director of the "director company" of Loris Azzaro B.V., he would have been in a position to have knowledge of the affairs of Loris Azzaro B.V. I also note that at paragraph 2 of his affidavit, Mr. Visser has clearly indicated that he had access to the records and files of Loris Azzaro B.V. and that he has knowledge of matters set forth in his affidavit. In the circumstances, I am prepared to conclude that Mr. Visser was entitled to testify on behalf of the registrant (for a discussion of the personal knowledge of corporate officers, see *Vapor Canada Ltd.* v. *MacDonald et al.,* 6 C.P.R.(2d) 204 at page 216).

Concerning the use shown, I am satisfied that the evidence shows that the trade-mark AZZARO has been used in Canada in association with the wares: "toiletry products and eyeglasses".

However, as raised by the requesting party, the issue is whether the use shown is use by the registrant or use that accrues to the registrant.

Mr. Visser has explained that the AZZARO toiletry products are being distributed in Canada by Lippens Inc. also known as Lippens, Inc. International which he identifies as the distributor of AZZARO toiletry products in Canada. He adds that Lippens Inc. has acted as distributor of the AZZARO products in Canada since 1981. I am prepared to assume that this information would have been in the records and files in the possession of Loris Azzaro B.V., since I think it is reasonable to infer that all records concerning the use of the trade-mark by or on behalf of the predecessor-in-title of the registrant would have been acquired by the registrant as part of the

transfer, particularly, since in the document entitled "Trade-mark Assignment", it is indicated that the assignee purchased all the rights, title and interest in and to the trade-mark including the rights, title and interest to any goodwill connected with any use of the mark.

Mr. Visser has also stated that Parfums Loris Azzaro S.A. is the exporter of the toiletry products and he has submitted invoices showing sales from the exporter to the Canadian distributor, i.e. Lippens Inc. He has also submitted invoices showing sales by the Canadian distributor, Lippens Inc. to customers in Canada. The requesting party submitted that as the invoices were not invoices of the registrant, that such invoices consisted of "hearsay" evidence which does not meet the test for admissibility, as set out in *Merck & Frosst Canada Inc. et al.* v. *Ministry of National Health and Welfare et al.*, 60 C.P.R.(3d) 93. However, in the present case, I am prepared to accept the invoices as corroborating Mr. Visser's statements that the wares were exported to Canada by Parfums Loris Azzaro S.A. and distributed in Canada by Lippens Inc. In this regard, I rely on the Federal Court Trial Division decision *Quarry Corp.* v. *Bacardi Co.*, 72 C.P.R.(3d) 25 at page 30, where the Court dealing with an appeal of a Section 45 decision, accepted invoices in an almost identical situation.

Concerning Lippens Inc., I accept that it is merely a distributor of the toiletry products in Canada, since the evidence shows that it receives the trade-marked wares from the exporter Parfums Loris Azzaro S.A. However, I find the evidence is not as clear concerning the role of Parfums Loris Azzaro S.A. Mr. Visser has indicated that it is the entity that exports the wares to Canada and that its role as exporter is well defined at the top left side of the invoices. Therefore, it may be that it merely is acting as exporter of the registrant's toiletry products.

Notwithstanding the above, I note that both Lippens Inc. and Parfums Loris Azzaro S.A. were companies registered as registered users for the AZZARO "toiletry products" prior to the repeal of the registered user provisions on June 9, 1993, therefore at the beginning of the relevant period in this case. Consequently, even were I to find that Parfums Loris Azzaro S.A. was the user of the trade-mark and not merely "exporter" on behalf of the registrant, I would have been prepared to assume, in the absence of a clear indication to the contrary, that the continued use by such

company was at all times licensed use within the terms of Section 50(1) of the Trade-marks Act in association with the toiletry products that have been sold in Canada.

Consequently, as I have concluded that the use of the trade-mark in association with the toiletry products is use by the registrant or use that accrues to the registrant, I conclude that the wares marked (1) and (2) in registration No. 243,774 and the wares marked (11) and (12) in registration No. 323,537 ought to be maintained on the register.

Concerning the wares "eyeglasses" listed in Registration No. 323,537, for which use has also been shown, I arrive at a different conclusion. In my view, the evidence does not show use by the registrant or use that accrues to the registrant. Although in its written submission the registrant has stated that Parfums Loris Azzaro S.A. is merely acting as an "intermediary" in the normal course of trade for such wares, I note from Exhibit A to the Visser affidavit sworn on January 27, 1997 that it is the name Loris Azzaro Paris, not Loris Azzaro B.V., that appears to be affixed to the lenses of the eyeglasses. In my view, the appearance of the name Loris Azzaro Paris on the eyeglasses would probably convey to the consumer that Loris Azzaro Paris (which, from the invoices attached to the first Visser affidavit, appears to be a trading style of Parfums Loris Azzaro S.A.) is the owner of the trade-mark.

Although I agree with counsel for the registrant that the purpose of Section 45 is to remove "deadwood" from the register and that evidentiary overkill is not required, the jurisprudence is also clear that the use must be by the registered owner or a licensed user (see *Mayborn Products Limited* v. *Registrar of Trade Marks and Messrs. Gowling & Henderson*, 70 C.P.R.(2d) 1; *Lindy* v. *Registrar of Trade Marks*, 57 C.P.R.(2d) 127; and Section 50 of the Act). In the present case, the evidence does not show that Loris Azzaro Paris was merely an intermediary. Rather, the evidence appears to show such entity as the user of the trade-mark.

As Parfums Loris Azzaro S.A. trading as Loris Azzaro Paris was not registered as a registered user for the wares "eyeglasses" on June 9, 1993 (when the RU provisions were revoked), and as there is no indication that it was a licensed user and that the registrant had under the license

direct or indirect control of the character or quality of the wares during the relevant period, I cannot conclude that the use shown in association with "eyeglasses" is use that accrues to the registrant. Consequently, I conclude that such wares ought to be deleted from the statement of wares in registration No. 323,537.

In view of the evidence furnished in this case, I conclude that trade-mark Registration No. 323,537 ought to be amended to only refer to the wares marked (11) and (12), and that trade-mark Registration No. 243,774 ought to be amended to only refer to the wares marked (1) and (2).

Registration Nos. 323,537 and 243,774 will be amended accordingly, in compliance with the provisions of Section 45(5) of the Trade-marks Act.

DATED AT HULL, QUEBEC, THIS 28th DAY OF November, 1997.

D. Savard
Senior Hearing Officer
Section 45 Division