SECTION 45 PROCEEDINGS
TRADE-MARK: DANIEL & DESIGN
REGISTRATION NO: TMA 354,264

The Registrar forwarded a notice under section 45 of the *Trade-marks Act* on June 5, 2003 to Montorsi Francesco E Figli-S.p.A. the registered owner of the above referenced trade-mark.

The trade-mark DANIEL & Design (shown below) is registered for use in association with " San Daniele Ham".

TMA 354,264 DANIEL & Design

Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, 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/or services listed on the registration at any time within the three year period immediately preceding the date of the notice, and if not, the date when it was last in use and the reason for the absence of use since that date. In this case the relevant period for showing use is any time between June 5, 2000 and June 5, 2003.

Use in association with wares is set out in subsection 4(1) of the *Trade-marks Act*:

> 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 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.

Special provisions relating to the export of wares are contained in subsection 4(3) of the *Act* and do not apply in the present proceedings.

This trade-mark registration was the subject of previous section 45 proceedings initiated on January 15, 2001. The Registrar rendered his decision on June 5, 2003, maintaining the registration due to special circumstances. At the same time a subsequent section 45 notice was issued at the discretion of the Registrar. The Federal Court upheld the Registrar's decision on May 21, 2004; the court found that the absence of use of the subject trade-mark was excused due to special circumstances (*Cassels Brock & Blackwell LLP v Montorsi Francesco e Figli-S.p.A.* 35 C.P.R. (4th) 35).

In response to the Registrar's notice of June 5, 2003, which initiated the current proceedings, the registrant furnished the affidavit of Didone Donato, Marketing Director of Montorsi Francesco E Figli – S.p.A., sworn November 26, 2003. Subsequently, the Registrant filed additional evidence in the way of the affidavit of Luca Marigo, Marketing Director of Montorsi Francesco E Figli – S.p.A, sworn December 6, 2005. An oral hearing was held.

The Donato affidavit sets out the steps the registrant has taken to obtain approval to sell San Daniele Ham in Canada. It appears from the copies of official correspondence attached to the affidavit that Canadian approval is related to standards regarding "health measures for the protection of the public and animal health applicable to exchange of live animals and products of animal origin", which standards involve set requirements for waste drainage, storage temperatures, etc, at the meat processing plants. The Didone affidavit sets out steps taken by the Italian and Canadian authorities to arrive at a list of approved factories in Italy authorized to export meat-based products to Canada. It appears from the affidavit that these standards have been the subject of much negotiation between the European Commission, Canada and Italy and that the whole process of becoming an approved facility for export of pork meat-based products has been ongoing for over 5 years. According to Mr. Donato, the list of factories approved for exportation to Canada was finally issued in May 2003; however in July 2003 a notice to the registrant issued

saying that this did not automatically imply immediate permission to export to Canada, since further negotiations between the European Union and Canada were now to begin.

The affidavit of Luca Marigo, sworn December 6, 2005, states that the lengthy process of negotiation between Canada, Italy and the European Union has been finalized, exportation of the subject wares to Canada is now permissible, and as a result the registrant has begun sales of the wares in Canada.

Exhibit A to the Marigo affidavit is a label depicting the trade-mark as used in Canada. The company identified as the preparer of the product is Monatero S.r.l., and Mr. Marigo states that this company prepares the ham under the direction and control of the registrant; the registrant controls the quality of the product and use of the trade-mark on the label. I note that the label is clearly marked with the trade-mark DANIEL & Design as shown above.

Mr. Marigo attaches invoices as Exhibit B, and states that the subject wares are identified on the invoices with the product code # 20986 and the letters DNL. It appears from the invoices that the subject wares were sold to A. Bosco & Co. Ltd., in Vancouver on August 17, 2005 (200 boxes) and on October 18,005 (250 boxes), as well as to Berchicci Importing Ltd., of Quebec, on October 19, 2005 (90 boxes). I note that the registrant is clearly identified on the invoices.

As the use demonstrated in the Marigo affidavit took place subsequent to the relevant period, I must still consider whether there are special circumstances which excuse the absence of use during the relevant period (June 5, 2000 to June 5, 2003).

Special Circumstances

Special circumstances are established on a case-by-case basis; what will constitute special circumstances in one situation may not excuse non-use in other circumstances.
In order to establish special circumstances the registered owner must provide the date when the trade-mark was last in use and the reason for the absence of such use since that

date (s. 45(1) of the *Act*). The absence of a date of last use is not fatal; generally the registration date or the date of assignment of the mark to the current owner will be used (*Cassels Brock & Blackwell LLP v Montorsi Francesco e Figli-S.p.A.* 35 C.P.R.(4th) 35; *Sim & McBurney v.Hugo Blss AG* (1996), 67 C.P.R. 3(d) 269; *GPS (U.K.) v Rainbow Jean Co*. 58 C.P.R. (3d) 535). Three criteria must be considered in assessing whether or not the reason for the absence of use constitutes special circumstances; firstly, the length of time during which the trade-mark has not been used; secondly, whether the registered owner's reasons for not using its trade-mark were due to circumstances beyond his control; and thirdly, one must find whether there a exists a serious intention to shortly resume use (*Registrar of Trade-marks v. Harris Knitting Mills Ltd.*, 4 C.P.R. (3d) 488 (F.C.A.)).

With respect to what constitutes circumstances beyond the owner's control, this "refers to circumstances which are "special" in the sense of being peculiar or abnormal and which are experienced by persons engaged in a particular trade as the result of the working of some external forces as distinct from the voluntary acts of any individual trader" (*John Labatt Ltd. V The Cotton Club Bottling Co*., 25 C.P.R. (2d) 115 at p.125). In the *Harris Knitting Mills* case, above, the court clarified that "special circumstances" must be those "not found in most cases of absence of use of a mark". The Court went on to say:

> It is impossible to state precisely what the circumstances referred to in subsection 44(3) [45(3)] must be to excuse the absence of use of a mark. The duration of the absence of use and the likelihood it will last along time are important factors in this regard, however; circumstances may excuse an absence of use for a brief period of time without excusing a prolonged absence of use. It is essential, as well, to know to what extent the absence of use is due solely to a deliberate decision on the part of the owner of the mark rather than to obstacle beyond his control. It is difficult to see why an absence of use due solely to a deliberate decision by the owner of the mark would be excused.

In the previous decision involving the same trade-mark registration (*Cassels Brock & Blackwell LLP v Montorsi Francesco e Figli-S.p.A., supra*), the Federal Court upheld the

Registrar's finding of special circumstances, which in general terms, related to meeting Canadian criteria for health and public safety which criteria were the subject of protracted negotiation between Canada, Italy and the EU. At that time the trade-mark had not been in use at all in Canada, the period of non-use was calculated to commence at the time of transfer to the current owner on December 31 1994, and was found to be approximately 6 years (*Cassels Brock & Blackwell LLP v Montorsi Francesco e Figli-S.p.A.* 35 C.P.R.(4th) 35; and see also *Sim & McBurney v.Hugo Boss AG* (1996), 67 C.P.R. (3d) 269; *GPS (U.K.) v Rainbow Jean Co*. 58 C.P.R. (3d) 535). It was held that the circumstances were beyond the registrant's control and further that ongoing activities of the registrant, its consortium, and the Italian government to comply with the requirements as they emerged from the negotiations (i.e. renovation of the production facilities), demonstrated a serious intention to resume use of the subject trade-mark. It was found that in the circumstances the period of non-use was not unreasonable.

The special circumstances in the present proceedings are essentially the same as put forward in the previous case, with the important addition of evidence demonstrating that progress had been made in the negotiations, in that a list of acceptable exporters of pork meat-based products to Canada was eventually finalized in May 2003. However, as set out by Mr. Donato, subsequent to this approval, a new circumstance arose during the relevant period, in that the registrant was notified that there would be additional trade negotiations between Italy, the European Union and Canada. This continued to hold up the process of exporting the wares to Canada.

In view of all of the foregoing, I find that that the circumstances delaying the export of the registrant's wares to Canada were beyond the registrant's control. Certainly in this case, the trade negotiations and changing governmental requirements were beyond the registrant's control. Under the circumstances, particularly in view of the additional requirement for trade negotiations subsequent to the finalized list of acceptable exporters to Canada, I find that an additional 3 years of non-use is not unreasonable. I also conclude that significant active and concrete steps continued to be taken during the relevant period (June 5, 2000 and June 5, 2003), this conclusion is supported by the fact

that these activities eventually culminated in sales in Canada (as evidenced in the Marigo affidavit).

In view of all of the foregoing, it is my conclusion that special circumstances which excuse the absence of use pursuant to Section 45(3) of the *Act* have been shown. Accordingly, registration TMA 354,264 for the trade-mark DANIEL & Design will be maintained in compliance with the provisions of Section 45(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

DATED AT GATINEAU, QUEBEC, THIS 13TH DAY OF SEPTEMBER 2007.

P. Heidi Sprung
Member, Trade-marks Opposition Board