



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

Citation: 2013 TMOB 143
Date of Decision: 2013-08-30

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Pain & Ceballos LLP against registration
No. TMA155,633 for the trade-mark DIAMOND &
Design in the name of Diamond Foods, Inc.**

[1] At the request of Pain & Ceballos LLP the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on June 27, 2011 to Diamond Foods, Inc. (the Registrant) the registered owner of registration No. TMA155,633 for the trade-mark DIAMOND & Design (the Mark), shown below.



[2] The Mark is registered for use in association “edible nuts of all kinds” (the Wares).

[3] 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 specified in 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 such use since that date. In this case, the relevant period for showing use is between June 27, 2008 and June 27, 2011 (the Relevant Period).

[4] For the purposes of this decision, the relevant definitions of “use” is set out in section 4(1) 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.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of a section 45 proceeding [*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 [*Woods Canada Ltd v Lang Michener et al* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co 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 specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Registrant filed the affidavit of Jeff Ngo, the Director of Marketing for the Registrant. Only the Requesting Party filed a written argument but both parties were represented at an oral hearing.

Did the Registrant sell the Wares in Canada during the Relevant Period?

[7] In his affidavit, Mr. Ngo explains that the Registrant's normal course of trade is to sell edible nuts mostly through a broker but also directly to Canadian customers. The Registrant's customers are primarily companies in the food industry who use the Registrant's nuts in food processing (i.e. as ingredients for prepared foods like baked goods, confectionery and baking mixes).

[8] Mr. Ngo attaches to his affidavit sample invoices dated in the Relevant Period which evidence sales of various sized packages of different types of walnuts to Canadian customers. Mr. Ngo states that while the invoices were redacted to remove the confidential dollar values, they evidence the sale into Canada of over 240,000 pounds of edible nuts (which he states corresponds to sales in excess of \$450,000) during the Relevant Period.

[9] At the oral hearing, the Requesting Party made a series of very technical objections to the sample invoices ultimately submitting that Mr. Ngo had not fully described the nature of the

Registrant's business. I am not persuaded by the Requesting Party's submissions on these points. Rather, I am satisfied that Mr. Ngo sufficiently described the nature of the Registrant's business as being sales by the Registrant itself or through a broker. Furthermore, I am satisfied that Mr. Ngo describes, in the body of his affidavit and by way of attached exhibits, evidence of sales of the Wares to customers.

[10] Based on the foregoing, the evidence supports a finding that the Registrant sold significant quantities of walnuts to Canadian customers during the Relevant Period.

[11] At the oral hearing, the Requesting Party submitted that the Registrant had failed to evidence use of the Mark in association with the "edible nuts of all kinds" but rather only with walnuts. The Registrant submitted that the evidenced sales of different varieties of walnuts are representative of the Registrant's sales of the Wares during the Relevant Period. I agree with the Registrant.

Does the mark as displayed on the Wares and product packaging qualify as use of the Mark as registered?

[12] Mr. Ngo states that the Registrant prominently displays the Mark on the outside shell of inshell nuts as well as on the product packaging for various nuts (i.e. inshell nuts, shelled walnut halves, shelled walnut pieces) all of which are sold in Canada in bulk boxes and bags of varying weights (Exhibits A1 and A2). Mr. Ngo states that this evidence is representative with respect to the edible nuts sold by the Registrant in Canada during the Relevant Period.

[13] The Requesting Party points out that the marks displayed on the inshell nuts and the product packaging shown in Mr. Ngo's affidavit are not identical to the Mark as registered. Rather, the Requesting Party points out that the mark applied to the inshell nuts features two smaller diamonds inside the larger diamond and the mark displayed on the product packaging features an additional design element (i.e. a sunburst design) and additional wording (i.e. OF CALIFORNIA), as shown below:



[14] With respect to the mark which appears on the nuts themselves, the Requesting Party makes some submissions with respect to the fact that the mark would not be seen by customers at the time of transfer. The Registrant did not devote much time at the oral hearing to responding to these submissions. As will be further discussed in the paragraphs that follow, I need not make a determination on whether the Mark as it appears on the nuts themselves would qualify as use pursuant to section 4(1) of the Act as I am satisfied that the Mark as it appears on the packaging is sufficient to maintain the registration.

[15] The Requesting Party submits that the mark as it appears on the product packaging differs too significantly from the Mark as registered to qualify as evidence of use of the Mark.

[16] The jurisprudence provides that when assessing deviations in use the Registrar must determine “whether the additional material would be perceived as merely descriptive matter or as a separate trade-mark or trade name” [see *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB)] and whether “the differences are so unimportant as not to mislead an unaware purchaser” [see *Promafil Canada Ltee v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. Furthermore, the test to be applied is set out in *Registrar of Trade-marks v Compagnie Internationale pour l’Informatique CII Honeywell Bull, Societe Anonyme et al* (1985), 4 CPR (3d) 523 (FCA) at 525 as follows:

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.

[17] In summary, while a trade-mark as used may deviate from its registered counterpart, it must retain the dominant features thereof in order to qualify as use of the mark as registered.

[18] The Requesting Party further submits that the Registrant also owns a pending application for the variation of the Mark which is displayed on the product packaging and that this fact further supports a finding that the mark appearing on the packaging is an entirely different mark from the Mark as registered. Firstly, I note that the existence of this other application has not been adduced in the evidence of record. Secondly, even if I was willing to consider its existence, the fact that a registered owner has other registrations or applications for similar or identical marks is irrelevant to any particular section 45 proceeding.

[19] Ultimately, I do not agree with the Requesting Party that the mark appearing on the product packaging differs too significantly from the Mark as registered. Rather, I am of the view that the mark which appears on the product packaging retains the dominant features of the Mark, namely the diamond outline design and the word DIAMOND.

[20] Based on the foregoing, I am satisfied that the Registrant has evidenced use of the Mark in association with the Wares during the Relevant Period.

Disposition

[21] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be maintained.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office