



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

Citation: 2011 TMOB 195
Date of Decision: 2011-10-31

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Native One Inc. against registration
No. TMA624,135 for the trade-mark DK'S in the name of
Grand River Enterprises Six Nations Ltd.**

[1] At the request of Native One Inc. (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on March 10, 2009, to Grand River Enterprises Six Nations Ltd., the registered owner (the Registrant) of registration No. TMA624,135 for the trade-mark DK'S (the Mark).

[2] Following a written request from the Registrant on November 2, 2010, pursuant to s. 41(c) of the Act, the registration was amended to delete the wares described as “*loose leaf tobacco and fine cut tobacco*”. As a result, the Mark is registered in association with the following remaining wares:

Tobacco products namely: cigarettes.

[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 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 March 10, 2006 and March 10, 2009.

[4] “Use” in association with wares is set out in subsections 4(1) and 4(3) of the Act as follows:

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.

[...]

(3) 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.

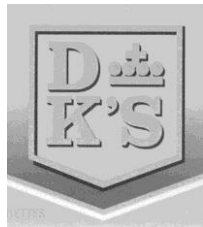
In this case, s. 4(1) applies.

[5] It is well established that the purpose and scope of s. 45 of the Act is to provide a simple, summary, and expeditious procedure for removing deadwood from the register. While mere assertions of use are not sufficient to demonstrate use in the context of a s. 45 proceeding (*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1979), 45 C.P.R. (2d) 194, aff'd (1980), 53 C.P.R. (2d) 63 (F.C.A.)), the threshold for establishing use in these proceedings is quite low (*Lang, Michener, Lawrence & Shaw v. Woods Canada Ltd.* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.)), and evidentiary overkill is not required (*Union Electric Supply Co. v. Canada (Registrar of Trade Marks)* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)). However, 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 or services specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Registrant furnished the affidavits of Steve Williams and Lou Lapointe, both of which were accompanied by exhibit evidence. While the Requesting Party was the sole party to file written submissions, the Registrant was the sole party represented at an oral hearing.

[7] In the Registrant's first affidavit, Mr. Williams identifies himself as the President of the Registrant, having held this position since at least 2002. He explains that the Registrant is a manufacturer and distributor of cigarettes under a number of different trade names and trade-marks, including the Mark. He indicates that the sales and distribution of such products takes place through a network of independent retailers predominantly on Canadian aboriginal reserves. He provides information regarding the Registrant's manufacturing facilities and production capacity, as well as sales data pertaining to the number of cases of DK'S cigarettes sold in the years 2002-2008. The sales figures provided appear to be substantial, as for example, in 2007, 22,900 cases were sold with each case containing 50 cartons of cigarettes.

[8] As evidence to show how the Mark was associated with the wares at the time of transfer, Mr. Williams attaches as Exhibit B to his affidavit, copies of packaging used for the 25 pack format of the Registrant's cigarettes. The cigarette packages bear the trade-mark as follows:



[9] Lastly, with respect to evidence of sales transactions of the Wares, Mr. Williams attaches as Exhibit C, a sampling of randomly selected invoices, four of which pertain to transactions during the relevant period in Canada. Among what appears to be several brands of cigarettes listed as sold on these invoices, are the following relevant product descriptions: DK 25'S and DK 20'S, in association with further product descriptions such as "Full Flavour 25's" and "Full Flavour Hinge Lids".

[10] In the Registrant's second affidavit, Mr. Lapointe identifies himself as the President of Whitehouse Inc., an entity that prints packaging material for the Registrant, and did so during the relevant period. Attached as Exhibits A, B, and C to his affidavit are copies of such packaging, which I note are substantially similar to the packages submitted in Exhibit B to the Williams affidavit, including the manner in which the trade-mark was displayed on such packaging.

Exhibit D consists of a considerable number of packing slips to show the volume of sales of such packaging to the Registrant during the years 2002 through to 2008.

[11] The focus of the Requesting Party's submissions revolves around the argument that the Registrant's evidence does not show use of the Mark as registered. In this regard, it argues that the packaging shows use of a design mark, wherein the crown design visually separates the letter "D" from the letters "K'S". Further to this, it argues that the letters cannot easily be detached from the design elements, which in the Requesting Party's view, are visually significant elements of the design mark as a whole. As a result, the Requesting Party submits, referring to the first deviation principle enunciated in the decision of *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 at 538 (T.M.O.B.), the public, as a matter of first impression, would not perceive the letters DK'S, *per se*, to be a separate mark. As further support, the Requesting Party cites *Brouillette Kosie Prince v. Andrés Wines Ltd.* (2004), 38 C.P.R. (4th) 424 (F.C.T.D.) as an example of a case where it was found that a trade-mark was not used where the trade-mark was displayed within a larger design element. I find this case to be distinguishable on its facts however, in that in the present case, the letters DK'S remain visually dominant within the overall design.

[12] The Registrant on the other hand, referred to a number of cases at the oral hearing involving word marks used in conjunction with additional design matter, wherein such use was considered to constitute use of the trade-marks as registered [see for example, *Laura Ashley Limited v. Ashley Furniture Industries, Inc.* 2010 TMOB 89 and *Westcan Greenhouses Ltd. v. Proven Winners North America LLC* 2010 TMOB 73]. In each of the cases referred to, it was held that there is no restriction to use a trade-mark in a particular format by virtue of the fact that the trade-mark registration is for a word mark. The Registrant submitted that there is no significant difference between these cases and the case at hand; while each case may be different, the same concept applies. Furthermore, bearing in mind conventions for reading text, from left to right and then from top to bottom, the public could only come to one conclusion: that the Mark is being used with no deviation.

[13] I agree with the Registrant. In the present case, the same dominant features, namely, the letters DK'S, have been maintained and the differences, in my view, are so unimportant as not to mislead an unaware purchaser [*Promafil Canada Ltée v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59 (F.C.A.); see also Principle 2 at p. 538 from *Nightingale Interloc, supra*]. In so finding, I am prepared to accept the Registrant's comments and will take judicial notice of the fact that text in English and French is ordinarily read from left to right and then from top to bottom. In conclusion, I find that the Mark was used in such a way that it did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used [*Registrar of Trade Marks v. Compagnie Internationale pour l'informatique CII Honeywell Bull, Societe Anonyme* (1985), 4 C.P.R. (3d) 523 (F.C.A.)].

[14] As I have concluded that the Mark shown on the packaging in Exhibit B to the Williams affidavit constitutes use of the registered trade-mark, I need not respond to the Requesting Party's submissions pertaining to deviation of the Mark as it appears on the invoices. Indeed, regardless of any finding on the matter, at the very least, the invoices clearly establish that commercial transactions of the Wares took place in Canada, during the relevant period.

[15] In view of the above, I conclude that use has been shown of the Mark for the wares described as "*Tobacco products namely: cigarettes*". Consequently, pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be maintained, in compliance with the provisions of s. 45 of the Act.

Kathryn Barnett
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office

