

**SECTION 45 PROCEEDINGS
TRADE-MARK: PREMIUM 1 & Design
REGISTRATION NO.: TMA 387,771**

On December 30, 1998 at the request of Davis & Company, the Registrar forwarded a Section 45 notice to Safety-Kleen Corp., the registered owner of the above-referenced trade-mark registration.

The trade-mark PREMIUM 1 & Design is registered for use in association with motor oil and automotive oils.

In response to the Registrar's notice, an affidavit of William C. Brigger has been furnished. Only the registrant filed a written argument but the requesting party did indicate that it was still interested in receiving a decision. An oral hearing was not requested.

Mr. Brigger, a Vice-President of Safety-Kleen Canada Inc., states that his company markets automotive oils including motor oil and automatic transmission fluid under the trade-mark PREMIUM 1 & Design under licence from its parent company Safety-Kleen Corp. He provides a copy of the trade-mark licence agreement between the two companies that provides conditions of control on the use by the licensee including access to the licensee's business premises and access to materials employed by the licensee. Although the particulars of certain paragraphs of the licence agreement have been obliterated in order to preserve confidentiality, I am satisfied that use of PREMIUM 1 & Design by Safety-Kleen Canada Inc. pursuant to the terms of the licence agreement would enure to the benefit of the registrant/licensor pursuant to Section 50 of the *Trade-marks Act*.

Mr. Brigger has also provided Canadian sales figures for PREMIUM 1 & Design automotive oils for each of the years 1996, 1997, and 1998, specimen labels for PREMIUM 1 & Design motor oil and automatic transmission fluid, a sales print out relating to sales of PREMIUM 1 & Design products in 1998, and specimen invoices for PREMIUM 1 & Design product in each of the years 1996, 1997 and 1998. The invoices and labels all refer to Safety-Kleen Canada Inc.

The registered mark consists of the words PREMIUM 1 encased in a white rectangular shape, underscored by a line design. The underscored rectangle is

superimposed over the left-hand side of a tilted “P” that consists of an “oil-spill” pattern. The registered mark is shown below:

The labels filed do display some of the components of the registered mark. Considering first the label used for engine oil, the words PREMIUM 1 are superimposed across the full width of the tilted P design, together with the words HUILE MOTEUR, ENGINE OIL and SAE 10W30, as well as a broad line. ® appears immediately after PREMIUM 1. On the labels used for transmission fluid, the words PREMIUM 1 are accompanied by the words AUTOMATIC TRANSMISSION FLUID and FLUIDE POUR TRANSMISSION AUTOMATIQUE, as well as by a broad line and a picture of what is presumably a transmission. All of these components are superimposed over an oil-spill design that upon careful consideration resembles a truncated version of that in the registered mark. The superimposition is sometimes over one side of the design and sometimes immediately on top of it. Again, ® appears immediately after PREMIUM 1.

Mr. Brigger has explained that the words PREMIUM 1 are displayed in a slightly different location relative to the large upper case P depending on the dimensions of the product container.

While the mark used is clearly not identical to that registered, the mark in use on motor oils does include the two key components of the registered mark: the words PREMIUM 1 and the P oil-spill design. I have some doubt as to whether the public would respond to the label as showing use of the mark PREMIUM 1 & Design as opposed to simply PREMIUM 1. Nevertheless, having considered the decisions in *Promafil Canada Ltée v. Munsingwear Inc.*, 44 C.P.R. (3d) 59, *Alibi Roadhouse Inc. v. Grandma Lee’s International Holdings Ltd.*, 76 C.P.R. (3d) 326, and *Nightingale Interloc Ltd. v. Prodesign Ltd.*, 2 C.P.R. (3d) 535, and bearing in mind the intent and purpose of Section 45, I have decided to maintain the registration of the trade-mark for motor oil because the variations in the mark are not substantial and the trade-mark as used is recognizable.

However, the variations introduced with respect to the mark used on automatic transmission fluid are in my opinion too substantial. On that product, the superimposition of a large representation of a transmission is not only a substantial variation but also truncates the P design component of the registered mark and diminishes its impact to the extent that consumers are not likely to recognize it as a “P” but rather respond to it simply as a background design.

Although motor oil is a type of automotive oil, the use of the mark on motor oil cannot be relied on to maintain the registration for automotive oils given that motor oils are listed separately in the statement of wares. Accordingly, registration No. TMA 387,771 will be restricted to cover only motor oil in compliance with the provisions of Subsection 45(5) of the *Trade-marks Act*.

DATED AT TORONTO, ONTARIO THIS 30th DAY OF AUGUST, 2000.

**Jill W. Bradbury
Hearing Officer**