

SECTION 45 PROCEEDINGS
TRADE-MARK: GRIZZLY
REGISTRATION NO: TMA 518,977

At the request of Parlee McLaws LLP the Registrar forwarded a notice under section 45 of the *Trade-marks Act* on November 16, 2004 to Molson Canada the registered owner of the above referenced trade-mark.

The trade-mark GRIZZLY is registered for use in association with:

“brewed alcoholic beverages”.

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 November 16, 2001 and November 16, 2004.

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 s-s. 4(3) of the *Act*:

(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 response to the Registrar's notice, the registrant furnished the affidavit of Lori Ball, Manager Legal Administration for Molson Canada. Both parties filed written submissions; the registrant appeared at the oral hearing.

Ms. Ball states that Molson Canada brews and bottles brewed alcoholic beverages for both the domestic and export markets. She further states that Molson exports GRIZZLY brand beer and attaches a copy of an invoice, a packing list and certificate of origin, all of which are dated within the relevant period and relate to the sale of a case of twenty-four 341 mL bottles of GRIZZLY beer from Molson Canada to Cervejaras Kaiser Brasil S/A in Sao Paulo Brazil. In Paragraph 6 of her affidavit Ms. Ball states that the exported GRIZZLY brand beer was bottled in Canada and that labels depicted in Exhibit B were affixed to the GRIZZLY beer prior to export. I note that the Exhibit B is a label depicting a bear standing in water, with the word mark GRIZZLY prominently displayed in a diagonal across the label.



Exhibit B

The use of a trade-mark in combination with additional words or features constitutes use of the registered mark if the public as a matter of first impression, would perceive the trade-mark *per se* as being used. This is a question of fact which is dependent on whether the trade-mark stands out from the additional material, for example by the use of different lettering or sizing or whether the additional material would be perceived as clearly descriptive matter or as a separate trade-mark or trade name ((*Nightingale Interloc Ltd. v. Prodesign Ltd.* 2 C.P.R. (3d) 535; *88766 Canada Inc v. National Cheese Co.* 24 C.P.R. (4th) 410). In the present case I have concluded that although GRIZZLY appears in a different font in the label as depicted in Exhibit B, the additional material of the label does not detract from the essence of the trade-mark as registered, and that the public would perceive the trade-mark GRIZZLY *per se* as being used.

The registrant has provided evidence related to export sales of the subject wares and therefore this is a situation to which s.4(3) of the *Act* applies. The export of a single item bearing the trade-mark in question can be sufficient to meet the requirements of use of a trade-mark pursuant to subsection 4(3) of the *Act* (*Molson Companies Ltd. v. Moosehead Breweries Ltd.* (1990) 32 C.P.R. (3d) 363), provided that the transaction is not in the nature of a gift (*Brouillette Kosie v. Molson Breweries, a Partnership* (2002) 22 C.P.R. 412 at 415 (T.M.S.H.O.)).

In *Molson v Moosehead (supra)*, the Court states at page 373:

“It may be that in a given case of export transactions, deemed use in Canada can be established by evidence of an isolated, or a single, commercial transaction”.

Further at page 373 the Court states:

“In my view, s.4(3) requires that the wares to which a trade-mark is affixed in Canada, or to their containing packages on which it is affixed, be sent out of Canada to another country in a commercial transaction, if use of the trade-mark on exported wares is to be deemed use in Canada.”

From the *Molson v Moosehead (supra)* decision, it would appear that although a commercial transaction must be established, there is no requirement that the sale be in the normal course of trade in s-s. 4(3). The requesting party alleges that the Brazil company is a subsidiary of Molson Canada and that therefore this cannot be considered a commercial transaction. An attempt was made to introduce evidence to support this allegation; however, as the registrant is the only party allowed to file evidence in s.45 proceedings, this material was disregarded. In any event, the registrant has provided a certificate of origin, commercial invoices and packing lists attached as Exhibit A to the Ball affidavit, all of which tend toward a conclusion of a commercial transaction.

In view of the foregoing, I am satisfied that there was use of the subject trade-mark within the meaning of section 45 and subsection 4(3) of the Act. Accordingly, Registration TMA 518,977 for the trade-mark GRIZZLY 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 21st DAY OF JUNE 2007.

P. Heidi Sprung
Member, Trade-marks Opposition Board