

IN THE MATTER OF A SECTION 45 PROCEEDING
respecting registration No. 186,973 for
the trade-mark CAPITAL BRAND standing in
the name of Gainers Inc.

The trade-mark CAPITAL BRAND was registered under No. 186,973 on December 1, 1972
in the name of Gainers Limited for the following wares:

fresh meats, cured and smoked pork, sausage,
cooked meats, beef products, namely, beef roasts,
beef steakettes, ribs of beef, ground beef.

The registration was subsequently assigned and now stands in the name of Gainers Inc.

At the request of Arvic Search Services Inc., a notice was issued pursuant to
Section 45 of the Trade-marks Act on July 10, 1989 to the registered owner requiring it
to show use of its registered mark. In reply to that notice, the registered owner filed
the affidavit of Don M. Black. The requesting party filed a written submission respecting
that affidavit and the registered owner filed a written submission in reply. No oral
hearing was conducted.

The Black affidavit establishes that the registered owner was using the trade-mark
CAPITAL at the relevant time but only in association with "beef steakettes" and with
"cured and smoked pork" in the form of side bacon. The Black affidavit is insufficient
to establish that the trade-mark CAPITAL was in use at the relevant time in association
with the remaining wares listed in the registration. More importantly, there is no
evidence of use of the registered trade-mark CAPITAL BRAND. The sole issue then becomes
whether or not use of the trade-mark CAPITAL also constitutes use of the trade-mark
CAPITAL BRAND.

In considering this issue, I have been guided by the previous opposition decision
in Nightingale Interloc Ltd. v. Prodesign Ltd.

(1984), 2 C.P.R. (3d) 535. At page 538 of that decision, Mr. Troicuk states as follows:

The jurisprudence relating to the question
of what deviations in a trade mark are permissible
is complicated and often contradictory but in my
opinion it is best viewed as establishing two
basic principles:

Principle 1

Use of a mark in combination with additional
material constitutes use of the mark 'per se' as a
trade mark if the public, as a matter of first
impression, would perceive the mark 'per se' as
being used as a trade mark. This is a question of
fact dependent upon such factors as whether the 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 purely descriptive matter or as a separate trade
mark or trade name.....

Principle 2

A particular trade mark will be considered as
being used if the trade mark actually used is not
substantially different and the deviations are not
such as to deceive or injure the public in any way

.....In general....this principle would appear applicable only where the variations are very minor.

Two subsequent decisions of the Federal Court of Appeal illustrate the application of the two principles noted above. In Registrar of Trade Marks v. Compagnie Internationale pour l'informatique CII Honeywell Bull, S.A. (1985), 4 C.P.R.(3d) 523, the Federal Court of Appeal dealt with a situation falling within the purview of the first principle. In considering whether the use of the composite mark CII HONEYWELL BULL constituted use of the registered mark BULL, the Court stated as follows (at page 525):

That question must be answered in the negative unless the mark was used in such a way that the mark 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.

The Court concluded that use of the composite mark was not use of the included registered mark.

In the unreported decision in Munsingwear Inc. v. Promafil Canada Ltee. (Court No. A-235-90; July 8, 1992), the Federal Court of Appeal dealt with a situation falling within the scope of the second principle. The appellant in that case owned a registered mark comprising the design of a penguin. The Court found that use of a slightly modified version of that design mark constituted use of the registered mark. In reaching that conclusion, the Court stated as follows (at page 14):

Obviously, with every variation the owner of the trademark is playing with fire. In the words of Maclean J., "the practice of departing from the precise form of a trade-mark as registered ...is very dangerous to the registrant." But cautious variations can be made without adverse consequences, if the same dominant features are maintained and the differences are so unimportant as not to mislead the unaware purchaser.

Or, as stated in the Nightingale Interloc case, the differences must be very minor.

The present situation is not one where the registered mark is being used with additional material. Rather, it is a situation governed by the second principle enunciated in the Nightingale Interloc case. In my view, the difference between the registered mark CAPITAL BRAND and the mark in use (namely, CAPITAL) is more than very minor. In my view, the trade-mark CAPITAL is a different mark altogether from the registered mark. The word BRAND is a significant and essential component of the registered mark.

In view of the above, I find that the registered owner has failed to evidence use of its mark as of the date of the Section 45 notice. Consequently, registration No. 186,973 is expunged.

DATED AT HULL, QUEBEC, THIS 30th DAY OF November, 1992.

David J. Martin,
Member,
Trade Marks Opposition Board.