

SECTION 45 PROCEEDINGS
TRADE-MARK: SUNEXOTIC
REGISTRATION NO: TMA 566,670

At the request of Oyen Wiggs Green & Mutala (the “requesting party”) the Registrar forwarded a notice under section 45 of the *Trade-marks Act* on October 26, 2005 to Rubicon Products Limited (now Rubicon Drinks Limited), the registered owner of the above-referenced trade-mark.

The trade-mark SUNEXOTIC is registered in association with:

- (1) Fruit drinks namely non-alcoholic fruit drinks; fruit juices.
- (2) Beers; mineral and aerated waters; fruit drinks namely alcoholic fruit drinks in the form of wine, spirits and cocktails all containing fruit; fruit drinks namely low-alcoholic fruit drinks containing no more than 2% of alcohol by volume; fruit drinks namely non-alcoholic fruit drinks; fruit juices; syrups for making non-alcoholic fruit drinks, low alcoholic fruit drinks and alcoholic fruit drinks.

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 October 26, 2002 and October 26, 2005. What qualifies as use of the trade-mark is defined in s. 4 of the Act, which states:

- 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.
- (2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.
- (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 Mukesh Lakhani, a Director of Rubicon Foods Products Limited. Rubicon Food Products Limited has been granted a license by the Registrant to use the registered trade-mark TMA 566,570. Both parties filed a written argument. An oral hearing was not conducted.

In his affidavit, Mr. Lakhani provides information and supporting evidence only with respect to use of the mark SUNEXOTIC in association with wares described on the packaging furnished as Exhibit ML-3 as Pineapple & Coconut drink and Tropical Fruit drink. Such wares fall under the category of wares in the trade-mark registration described as "*fruit drinks namely non-alcoholic fruit drinks*".

Mr. Lakhani's evidence can be summarized as follows:

- Paragraphs 2 through 4 of the affidavit describe the relationship between the Registrant and the licensee. A copy of the license agreement has been included in Exhibit "ML1". Additionally, paragraph 10 of the affidavit provides details of the control exercised by the Registrant over the character and quality of the wares associated with the trade-mark. **The degree of control by the Registrant, specified in the license agreement as well as outlined in paragraph 10 of the affidavit are sufficient for the purposes of s.45 to permit me to conclude that any use by the licensee is use meeting the requirements of ss. 50(1) of the Act.**
- In paragraph 5 of the affidavit, it is submitted that Rubicon Food Products Limited has used the mark continuously and extensively since the year 2000 in association with the pineapple and coconut drink, and since May 2001 in association with the tropical fruit drink. A sampling of invoices, marked Exhibit "ML2" has been attached, purporting to evidence use of the trade-mark "SUNEXOTIC" in Canada during the relevant period. **It should be noted that the trade-mark SUNEXOTIC does not appear on the invoices and that the "SUNEXOTIC" beverages are identified in the invoices by the abbreviation Sunex'.**

- Paragraph 7 of the affidavit includes sales figures, namely, the quantity of cases and litres sold in Canada, during the relevant period of the pineapple and coconut drink and the tropical fruit drink.
- Paragraph 8 of the affidavit refers to Exhibit “ML3” as further evidence of use of the mark in Canada during the relevant period. **I would note here that all examples of use of the mark provided in Exhibit “ML3”, show the words SUN and EXOTIC as separate words in combination with design matter.**

Exhibit “ML3” consists of:

- a photograph of a delivery truck in Toronto that delivers beverages and is prominently labelled with the mark;
 - various photographs of the licensee’s trade stands at consumer food festivals and fairs throughout Canada in which the mark is displayed; and lastly,
 - illustrations of packages displaying the mark. It is clear from the packaging that the wares consist of “pineapple and coconut drink” and “tropical fruit drink”.
- Paragraph 9 of the affidavit refers to Exhibit “ML4” which consists of letters from various packers, packaging suppliers, warehousemen and distributors attesting to use of the mark on packaging material and finished products associated with non-alcoholic fruit drinks. **I have not given any weight to the information they contain, as it constitutes inadmissible hearsay evidence.**

The requesting party argues that the evidence provided on behalf of the Registrant fails to establish use with respect to each of the specified wares in Canada. It submits that the evidence provided of use is only with respect to one of the wares in the registration, namely, non-alcoholic fruit drinks.

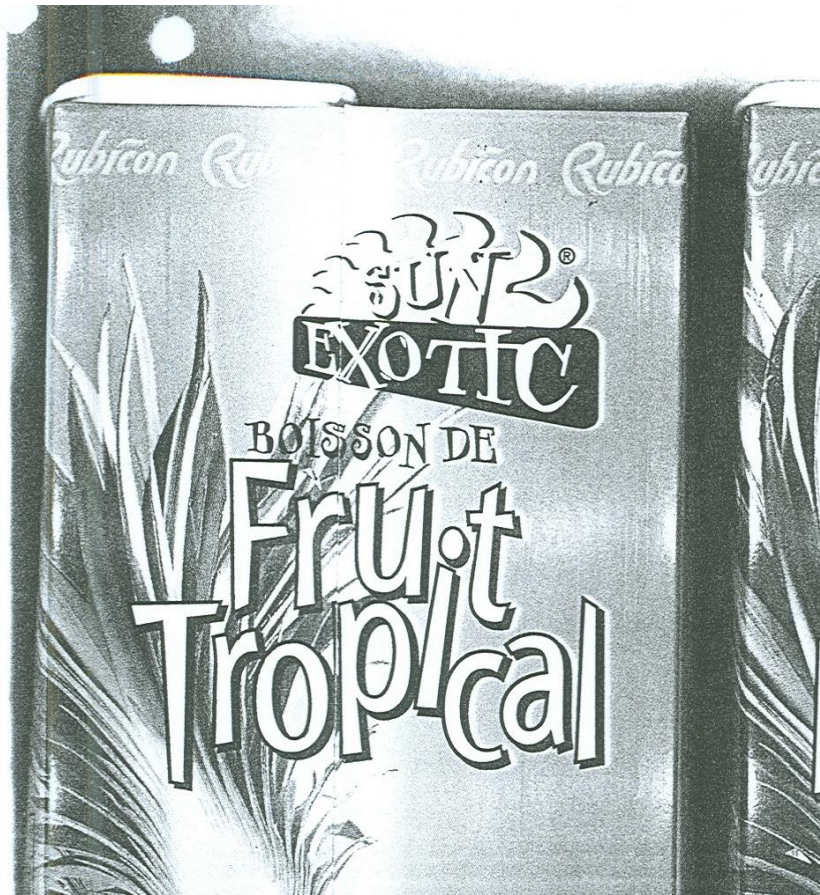
Further, it argues that the evidence does not show any use of the registered version of the mark. It adds that the use shown does not qualify as use of the registered trade-mark as the deviation of the mark as used is too significant.

The requesting party further argues that it appears that the Registrant himself believes the trade-mark used is a different trade-mark than the registered trade-mark as the Registrant has filed a new trade-mark application for the deviated mark. Particulars of the new trade-mark application, as recorded in the CIPO Trade-marks Database have been attached. **I will not consider this last point, as the requesting party is not permitted to file evidence in a summary expungement proceeding. In any event, the fact that the registrant may have filed a new application has no bearing in the determination of whether or not the evidence furnished shows use of the registered trade-mark.**

The threshold for establishing use in a s. 45 proceeding is quite low (*Cinnabon, Inc. v. Yoo-Hoo of Florida Corp.* (1998), 82 C.P.R. (3d) 513 (F.C.A.)), however, sufficient facts must be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the registered wares during the relevant period. A bare statement of use is not sufficient [See *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (4th) 62].

Having considered the evidence, I agree with the requesting party that the evidence completely fails to show use of the registered version of the trade-mark SUNEXOTIC in association with any of the registered wares during the relevant period. Furthermore, I agree with the requesting party that the trade-mark shown to be in use deviates from the registered version in a manner so substantial that it cannot qualify as use of the trade-mark as registered.

The evidence shows use of the following mark:



The use of a trade-mark in combination with additional material can be considered use of the mark *per se*, if the public, as a matter of first impression, would perceive the mark used as being the trade-mark *per se* (*Nightingale Interloc Ltd.v. Prodesign Ltd.* 2 C.P.R. (3d) 535). Further, as set out in *Registrar of Trade-Marks v. Compagnie Internationale Pour L'Informatique CII Honeywell Bull, Societe Anonyme et al.* (1985), 4 C.P.R. (3d) 523, the question to be asked is whether the mark was used in such a way that the mark did not lose its identity and remains recognizable in spite of the differences between the form in which it was registered and the form it is used. In this case, I find the trade-mark has lost its identity and is not recognizable as a trade-mark on its own. The visual separation of the words SUN and EXOTIC used in combination with a sun and black rectangle design, create a trade-mark that is different from the registered mark SUNEXOTIC, to the extent that the mark as used cannot be considered use of the registered mark *per se*. **It is my view that the public, as a matter of first impression, would not perceive the words “SUN EXOTIC” as a distinct trade-mark. Rather I**

consider that the public would view the words as forming one trade-mark with the design feature. I would add that the ® indicia appearing on the right hand side of the design feature reinforces my conclusion that the message being provided to the public is that the words are tied to the design feature and do not form a distinct trade-mark.

As for the invoices (attached as Exhibit “ML2”), they bear the word **Sunex’**, not the registered trade-mark SUNEXOTIC. Although not fatal in and of itself, in the absence of further evidence establishing that the mark SUNEXOTIC “*per se*” was so associated with the wares at the time of transfer, the invoices bearing the abbreviation **Sunex’** cannot be viewed as evidence of use of the mark SUNEXOTIC. In fact, from the evidence as a whole, it can be concluded that the abbreviation **Sunex’** as listed on the invoices, is in reference to the mark SUN EXOTIC & sun and black rectangle design, the trade-mark that is associated with the wares at the time of transfer of the wares.

As I have concluded that the evidence fails to show use of the registered trade-mark, it is immaterial that the evidence provided shows sales in respect of only one of the wares in the registration, namely, non-alcoholic fruit drinks.

In view of the above, I conclude that the trade-mark registration ought to be expunged.

Registration No. 566,670 will be expunged in compliance with the provisions of Section 45(5) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 20TH DAY OF DECEMBER 2007.

D. Savard
Senior Hearing Officer
Section 45 Division