

SECTION 45 PROCEEDINGS
TRADE-MARK: C.N.C. & DESIGN
REGISTRATION NO.: TMA400,758

[1] At the request of 6438423 Canada Inc. (the “requesting party”), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the “Act”) on March 14, 2008 to Consumers Nutrition Center Ltd., the registered owner of the above-referenced trade-mark (the “registrant”).



[2] The trade-mark C.N.C. & Design (shown above) is registered for use in association with the following wares and services:

Wares:

(1) Health related food products: vitamins and minerals, namely vitamin C, E, B-comp, calcium, magnesium and zinc; body shaping supplements for weight gain, namely amino acid tablets and powders, protein powders, liver tablets; body shaping supplements for weight loss, namely fibre bulking agents, guar gum, meal replacement formulas, enzyme tablets; herbs in tablets, capsules, tinctures; herb tea; food supplements namely, barley grass, wheat grass, chlorella, alfalfa mixes, vegetable mixes, green essence, garlic, spirulina, biostrath; soya drinks; yogurt grains; vegetable and fruit juices.

Services:

(1) Operation of health food stores.

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares and/or services specified in 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 such use since that date. In this case, the relevant period for showing use is any time between March 14, 2005 and March 14, 2008.

[4] “Use” in association with wares and services are set out in section 4 of the Act:

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 this case, subsections 4(1) and 4(2) apply.

[5] In response to the Registrar's notice, the registrant furnished the affidavit of Marvin Steffin, sworn on June 11, 2008, together with Exhibits "A" through "M"; and the affidavit of Mavis Botter, sworn on June 11, 2008, together with Exhibit "A". Only the registrant filed written submissions; an oral hearing was not requested.

[6] With respect to the first affiant, Mr. Steffin states that he is the owner and operator of Consumers Nutrition Center Ltd. since 1986. As such, he has knowledge of the matters set out in the affidavit based on his personal knowledge and a review of the company's records, except where the information is stated to be based on information and belief in which case he verily believes the matters and facts to be true. As for the second affiant, Ms. Botter states that she is a frequent and continuous customer of Consumers Nutrition Center Ltd. for at least the past eighteen years.

[7] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)]. Although the threshold for establishing use in section 45 proceedings is quite low [*Woods Canada Ltd. v. Lang Michener* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.) at 480], and evidentiary overkill is not required, sufficient

facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the wares/services specified in the registration during the relevant period.

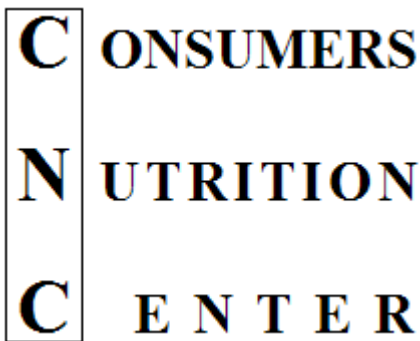
[8] With respect to the manner in which the subject trade-mark is used in association with “operation of health food stores”, Mr. Steffin’s affidavit includes the following exhibits. Exhibit “D” consists of a photograph of the affiant’s business card that has been used continuously during the relevant period “to promote, market and sell” the wares and the services specified in the registration. Exhibit “J” is a copy of an advertisement that appeared in a publication called “The Thin Blue Line”, published “on or about August 30, 2007” according to the publisher. In this exhibit, a photocopy of the cover of the publication contains the mention “The Official Publication of the British Columbia Federation of Police Officers”, thus it appears to be a publication distributed in British Columbia. There is also a photograph of a t-shirt bearing the subject trade-mark with a drawing of a rising sun at the back produced as Exhibit “K”; the affiant states that the t-shirts were sold to customers and that they were worn by staff members of the store for promotional purposes since 1986, including the relevant period.

[9] I note that the slogan “Make the Healthy Choice” appears in the aforementioned exhibits. However, I am of the opinion that it would be perceived as separate from the subject trade-mark as a matter of first impression, thus the trade-mark as registered remains recognizable and retains its identity in these cases. In light of Mr. Steffin’s statements and the supporting evidence, I am satisfied that the subject trade-mark was shown in association with the registered services in advertising materials during the relevant period.

[10] As for the performance of the services, Mr. Steffin provides that the registrant has continuously used the trade-mark in association with the operation of the health food store since “at least as early as 1986, including the years 2006, 2007 and 2008”. In support, he attaches utility and taxation documents sent to the registrant during the relevant period. There are also several photographs of the storefront of a health food

store with the sign “Consumers Nutrition Center” in the copies of advertisements attached as Exhibits “E” and “G”, thus I am satisfied that the registrant performed the service of “operation of health food stores” during the relevant period.

[11] With respect to the manner in which the trade-mark is associated with the wares, Mr. Steffin provides in paragraph 5 of his affidavit that since at least 1986, a customer’s purchases are placed in a bag bearing the subject trade-mark. In support, a photograph of a representative bag used during the relevant period with the following design is attached as Exhibit “A”:



I note that the design is prominently displayed in red on a white plastic bag. Arguably, the unaware purchaser might not perceive the design on the representative bag as the registered trade-mark per se. However, in view of my conclusions below regarding the use of the mark on these shopping bags, it will not be necessary to make a determination on this issue at this time.

[12] Contrary to the registrant’s written submissions, I cannot conclude that the use shown in Exhibit “A” is use of the trade-mark in association with wares. The registrant relies on *Lidl Stiftung & Co. KG v. A&W Trade Marks Inc.* (2006), 58 C.P.R. (4th) 349 (T.M.O.B.) to support its contention that “such display constitutes ‘use’ in accordance with section 4(1) of the Act”. The relevance of these evidence was discussed in *Lapointe Rosenstein v. Elegance Rolf Offergelt GmbH* (2005), 47 C.P.R. (4th) 196 (T.M.H.O.):

In *Ellesse International S.p.A. v. Tengo Sports Inc.* (1989), 24 C.P.R. (3d) 23, the former Chairman of the Opposition Board found that the fact that the wares were delivered to purchasers in bags or wrappings bearing the applicant's trade-mark was sufficient to create an

association between the trade-mark and the wares at the time of transfer. [...] On the other hand, in *London Drugs Ltd v. Brooks* (1997), 81 C.P.R. (3d) 540 (T.M.O.B.), displaying the trade-mark on bags was considered insufficient to show use in association with wares. Therefore, it appears that the particular facts of a case should be considered before concluding that displaying a trade-mark on packing tape or on bags amounts to use of a trade-mark in association with wares.

[13] In the *Lidl Stiftung & Co. KG* case, the trade-mark in question was printed on the foil bag in which contained the wares (i.e. hamburger) at the time of sales. It was considered to be part of the hamburger's packaging at the time of transfer. In contrast, in the present case, all that I am able to conclude from the evidence is that the registrant is in the business of selling health related food products through its retail location, products that appear to bear the trade-marks of others as evidenced in the representative advertisements attached as Exhibits "E" and "H".

[14] Furthermore, according to Ms. Botter's affidavit, once she completes her purchases at the registrant store, the vitamins and the minerals are placed inside a plastic bag such as the one described above. Thus, the plastic shopping bag appears to be used to carry a customer's purchase from the registrant's health food store at the time of sales. Under these circumstances, as noted by the Senior Hearing Officer in *Gowling, Strathy & Henderson v. Karan Holdings Inc.* (2001), 14 C.P.R. (4th) 124 (T.M.O.B.), "such use of the trade-mark is more akin to use of the trade-mark in association with a service namely to distinguish the registrant's retail outlet from retail outlets of others", rather than in association with specific products.

[15] As for the remaining evidence, not only is the affidavit vague regarding the use of the trade-mark in association with any of the wares listed in the registration, I note that none of the exhibits show the subject trade-mark in association with the wares, either marked on the wares themselves, on the packages in which they are distributed or in any other manner aside from the photographs of the previously mentioned plastic shopping bags. In the exhibits where a variety of products can be seen, they all bear trade-marks of

others. While there are several exhibits showing advertising materials and promotional items including print ads, a magnet, a t-shirt, pill boxes and information hand-outs sold or given to customers bearing different designs of the subject trade-mark, it is well established that advertising materials cannot generally serve as evidence of use for wares (*BMW Canada Inc. v. Nissan Canada Inc.*, (2007) 60 C.P.R. (4th) 181 (F.C.A.)). Without additional information as to the manner in which these advertising and promotional items provided the notice of association with the health food related products at the time of sale, I am unable to conclude that the subject trade-mark was used in association with the wares.

[10] 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(1) of the Act in association with “operation of health food stores” but not in association with the wares. Accordingly, and pursuant to the authority delegated to me under subsection 63(3) of the Act, registration TMA400,758 for the trade-mark C.N.C. & Design will be amended to delete all the wares in compliance with the provisions of section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

DATED AT MONTREAL, QUEBEC THIS 9TH DAY OF DECEMBER 2009.

P. Fung
Hearing Officer
Trade-marks Opposition Board