

SECTION 45 PROCEEDINGS
TRADE-MARK: VACATION CENTRAL
REGISTRATION NO.: TMA510,628

On July 30, 2003, at the request of Riches, McKenzie & Herbert LLP, the Registrar issued the notice prescribed by section 45 to Travel Network Ltd., the registered owner of the above-mentioned registration.

The trade-mark VACATION CENTRAL is registered in association with:

Wares: Luggage, travel-related clothing namely, cruisewear, resortwear and sportswear, namely, swimsuits, polo shirts, T-shirts, shorts, tennis attire, namely men's and women's tennis shorts, tennis sweaters, tennis shirts and tennis shoes, slacks, sweaters, footwear, namely sandals, thongs, tennis shoes, sneakers and golf shoes, and travel-related accessories, namely swim equipment, namely flippers, snorkels, goggles, cameras, travel irons, duffel bags, carry-on luggage, all purpose sports bags, beach towels, beachballs, frisbees, beach umbrellas.

Services: Retail travel agency services; mail order catalogue services; retail travel store services.

Section 45 of the *Trade-Marks Act* requires the registered owner of a trade-mark to indicate whether the mark has been used in Canada in association with each of the wares and services listed in the registration at any time during the three years preceding the date of the notice and, if not, the date on which it was last used and the reason why it has not been used since that date. The relevant period in this case is any time between July 30, 2000 and July 30, 2003. What qualifies as use of a trade-mark is defined in s. 4 of the Act.

In reply to the notice, the registrant furnished the affidavit of Brigitte Kiledjian. Only the requesting

party submitted a written argument. An oral hearing was not requested.

Ms. Kiledjian, the registrant's Vice-President Operations, only alleges that the registrant has provided travel agency and store services in association with the VACATION CENTRAL trade-mark in Canada. As she has not made any attestations concerning mail order catalogue services or any of the registered wares, those will be deleted from the registration.

In support of her allegation with respect to travel agency and store services, she provides the following statements and evidence:

1. The registrant, an American company, provides travel agency services, including the booking of airline tickets, cruises and vacation packages, in Canada through franchisees. The registrant's Canadian franchisees provide these services in Canada in association with the VACATION CENTRAL trade-mark under license from the registrant, pursuant to which the registrant exercises control over the character and quality of the services provided by the franchisees.
2. The trade-mark VACATION CENTRAL is used in association with the services by being displayed on items such as flyers, advertising and letterhead. Exhibit "B" provides photocopies of representative flyers that were distributed in Canada by the registrant's franchisees during the three years preceding the issuance of the s. 45 notice.
3. "Exhibit "C" is a photocopy of a representative invoice establishing the provision of travel agency services in Canada in association with the VACATION CENTRAL Trade-Mark by Travel Network during the relevant period."

I have the following comments with respect to the above three paragraphs:

1. Use by the registrant's Canadian franchisees enures to the benefit of the registrant pursuant to s. 50 of the Act. Section 50(1) requires the owner of a trade-mark to have "direct or indirect control of the character or quality of the wares or services" and for the purposes of a s. 45 proceeding, this can be satisfied by the registrant clearly swearing to the fact that the control required by s. 50 exists. [see *Gowling, Strathy & Henderson v.*

Samsonite Corp. (1996), 66 C.P.R. (3d) 560 (T.M.S.H.O.) at 562]

2. The first page in Exhibit “B” is promoting a vacation package that is available in June 2003 and indicates that interested parties should contact a company that has a Canadian address and telephone number. Accordingly, I accept the affiant’s statement that this brochure was in use in Canada during the relevant time period.
3. Exhibit “C” invoices the sale by the registrant of 3 Air Canada tickets and 1 car rental to a Toronto company. The invoice is dated within the relevant time period.

In its written argument, the requesting party raises the following points:

1. The requesting party takes the position that the mark shown in Exhibits “B” and “C” is VACATION CENTRAL & Surf Design, which is a different mark from that registered under TMA510,628. It further states that ® appears at the right hand bottom of the surf design in both flyers in Exhibit “B” and that there is an indication on one of the flyers that the registered marks are owned by Global Travel Network.
2. The flyers make no reference as to whether GST is included in the prices, as is required under the *Travel Industry Act*. Furthermore, the absence of the logo of the Travel Industry Counsel of Ontario suggests that the registrant is not an Ontario registered travel company.
3. The invoice in Exhibit “C” does not establish the provision of travel agency services in Canada since the invoice was issued in the U.S. by the registrant to a company that presumably is one of its franchisees. “Rather, what the invoice does establish is that there were services performed by the Registrant in Englewood, New Jersey, for which it is in turn billing Skylink, its franchisee in Toronto.”

I have the following comments with respect to the three points of the requesting party summarized above:

1. I cannot make out the ® or the trade-mark notice that the requesting party is referring to on the exhibits filed in the Trade-marks Office and therefore will not address those issues. While I agree that VACATION CENTRAL appears in a design format, I do not

consider that to be fatal to the registrant's case. Design marks are often considered to qualify as use of both a word mark and a design mark that incorporates that word. I might agree that the use of VACATION CENTRAL *simpliciter* would not serve to maintain a registration for the VACATION CENTRAL & Surf Design, but not the other way around. A typical consumer, upon viewing the registrant's franchisee's flyer, would be able to identify several trade-marks, such as TRAVEL NETWORK, VACATION CENTRAL and TRAVEL NETWORK VACATION CENTRAL & Design. In other words, it is my view that each of the first two of these trade-marks stands out sufficiently within the third composite mark to have an identity that is distinguishable from the whole. [see *Compagnie Internationale pour l'Informatique CII Honeywell Bull v. Registrar of Trade Marks* (1985), 4 C.P.R. (3d) 523 (F.C.A.)]

2. The registrant's compliance with other legislation and the like is not the sort of issue that should be addressed in s. 45 proceedings. [see *Marks & Clerk v. Sparkles Photo Limited*, 2005 FC 1012 at para. 43; *Meredith and Finlayson v. Berg Equipment Investments Ltd.* (1996), 72 C.P.R. (3d) 387 (T.M.H.O.) at 393; *Lewis Thompson & Sons Ltd. v. Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483 (F.C.T.D.)]
3. In support of its position, the requesting party relies upon *Porter v. Don the Beachcomber* (1966), 48 C.P.R. 280, but that decision is distinguishable on the basis of the differences between the nature of the services at issue. In *Porter*, the services were restaurant services. Restaurant services are very different from travel agency services in that restaurant services (excluding take-out) can typically only be performed on site, so that Canadians wanting to use that type of service would have to be at the operator's place of business. However, travel agency services can easily be performed for someone in Canada by someone in another country, without the purchaser leaving Canada. I am therefore not concerned by the fact that the invoice in Exhibit "C" is from the registrant's American office. The next objection raised by the requesting party is that the invoice does not show that the franchisee, having acquired airplane tickets and a car rental from the registrant then sold these to a Canadian consumer. However, it seems to me that the registrant has attested to its normal channels of trade, i.e. that it performs

travel agency services through its controlled franchisees. It would therefore be inappropriate to conclude that the normal commercial transaction would not have been completed by the franchisee performing the services by passing these reservations on to the consumer. Moreover, as established in *Wenward (Canada) Ltd. v. Dynaturf Co.*, 28 C.P.R. (2d) 20, a registration may be maintained under s. 45 for services if the services are advertised in association with the mark in Canada and are available to be performed in Canada, even if no services have been performed.

For the foregoing reasons, the registration should be maintained for retail travel agency services. In this regard, I am aware that the affiant referred only to “travel agency services”, not “retail travel agency services”, but I do not consider this to be a problem as the evidence showing use of the mark in advertisements clearly shows that the services are of a retail nature, i.e. the vacations and airfares are offered/sold directly to the ultimate consumer by the registrant’s franchisees.

On the other hand, I have concluded that there is no evidence showing use of VACATION CENTRAL in association with “retail travel store services”. Although Ms. Kiledjian attests in paragraph 8 of her affidavit that “travel store services” have been provided, she specifically indicates that her three exhibits relate to “travel agency services”. As no facts have been provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with “retail store services”, “retail store services” will be deleted from the registration.

Registration No. TMA510,628 will therefore be amended to delete all of the wares and to restrict the services to “retail travel agency services” in accordance with the provisions of s. 45(5) of the Act.

DATED AT TORONTO, ONTARIO THIS 13th DAY OF DECEMBER 2005.

Jill W. Bradbury
Member
Trade-marks Opposition Board