



Consommation  
et Corporations Canada

Consumer and  
Corporate Affairs Canada

Ottawa / Hull, Canada  
K1A 0C9

JUN 4 1985

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Gentlemen:

RE: SECTION 44 PROCEEDINGS  
Registration No.: 206,131  
Trade mark: DECORPHONE

At the request of Gerald Y Green & Associates the Registrar of Trade Marks issued a Section 44 notice, dated January 18, 1984, to Bell Canada, the registered owner of the trade mark DECORPHONE, registration No. 206,131.

DECORPHONE was registered March 27, 1975 for use in association with telephones.

In response to the Section 44 notice the registrant submitted the affidavit of John M. Lehnert, Staff Advisor-Corporate Affairs of the registrant, dated April 12, 1984.

A written submission dated August 23, 1984, was received from the requesting party. The registrant responded by written submission dated November 1, 1984.

In his affidavit, Mr. Lehnert states that the registrant has continuously since 1975 used the DECORPHONE trade mark in association with a product line consisting of distinct and unusual telephone sets. Mr. Lehnert explains that DECORPHONE telephone sets are not sold outright to the registrant's customers but are rented for an initial fixed charge plus installation costs and a continuing monthly payment for as long as the customer retains the telephone set. Mr. Lehnert than explains that distribution of such telephone sets was discontinued about two years prior to the date of his affidavit but that many such telephone sets remain in the hands of its customers who continue to pay a monthly rental for the use of the telephone sets. The affiant notes that as of December 31, 1983, there was in excess of 17,000 DECORPHONE telephone sets on the premises of Bell Canada telephone subscribers and that revenues for the calendar year 1983 attributable to the continuing rental of DECORPHONE telephone sets exceeded 1,000,000.00.

Annexed to the affidavit as Exhibit A are copies of advertising materials bearing illustrations of various telephone sets as well as the DECORPHONE trade Mark and the name of the registrant.

The principal submission of the requesting party is that the registrant is not currently using and has not used the DECORPHONE trade mark in Canada in association with telephones since 1982, the date at which the registrant ceased to make available, that is, to distribute DECORPHONE telephones. The requesting party argues that the fact that the registrant no longer distributes DECORPHONE telephones constitutes non-use because there is no longer a transfer of possession of the wares in association with the trade mark in the normal course of trade. In addition, the requesting party argues that the registrant's servicing and leasing of the pre-1982 wares in the possession of pre-1982 customers does not constitute use in the normal course of trade.

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In support of its position, the requesting party cites Aristoc. Id. v. Rysts. Id., (1945) 62 R.P.C. 65 at page 79:

A trade Mark must still be registered in respect of goods, **it must be used in relation to goods, it must indicate a connection in the course of trade between goods and the user of the trade mark.** A trade mark must thus be used in trade. "Trade" is no doubt a wide word but its meaning must vary with and be controlled by its context. A connection with goods in the course of trade in my opinion means in the definition section an association with the goods in the course of their production and preparation for the market. After goods have reached the consumer they are no longer in the course of trade. The trading in them has reached its objective and its conclusion in their acquisition by the consumer.

For its part the registrant argues that the Trade Marks Act clearly Contemplates that a trade mark may be used to distinguish wares leased by the trade mark owner from those leased by others and the fact that the registrant continues to lease DECORPHONE telephones to its pre-1982 customers constitutes current use of the subject trade mark.

Having reviewed the evidence and the submissions of both parties, I must agree with the position enunciated by the requesting party. I accept that the continuation of the registrant's leases with pre-1982 customers amounts to a continuing transfer of possession of the subject wares. However, what the registrant's evidence fails to show is that there is also a continuing association of the DECORPHONE trade mark with the telephones which are the subject matter of the original leases. Section 4 of the Trade Marks Act recognises that a trade mark is used in association with wares if at the time of the transfer of the property in or the possession of such wares any one of the following conditions is met:

- the trade mark is marked on the wares themselves
- the trade mark is marked on the packages in which the wares are distributed
- the trade mark 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.

The registrant affidavit does not contain any information as to whether or not the DECORPHONE trade mark is marked on the telephones themselves or on its monthly telephone bills or is in any other manner associated with the telephones so as to give notice to those pre-1982 customers who continue to lease such telephones of the association of the subject trade mark with the telephones. In short, there is no evidence that the customers who continue to lease DECORPHONE telephones pursuant to pre-1982 leasing agreements are aware that they are leasing telephones identified by the DECORPHONE trade mark.

In view of the foregoing, I have concluded that the trade mark DECORPHONE was not in use in Canada in the normal course of trade prior to and as of the date of the Section 44 notice in association with telephones. Accordingly, the Subject trade mark ought to be expunged.



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The decision in the preceding paragraph shall be acted upon by the Registrar if no appeal is taken therefrom within two months as provided under the provisions of Section 56 of the trade Marks Act. If an appeal is taken the Registrar shall act in accordance with the final judgement pronounced in such appeal.

Yours truly,

G.W. Partington  
Chairman,  
Opposition Board

GWP: s I-hl

c.c. Gerald Y. Green & Associates

(Ref: 4317-1)

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