SECTION 45 PROCEEDINGS
TRADE-MARK: CELEBRATION
REGISTRATION NO: TMA 181,134

At the request of Christopher P. Brett the Registrar forwarded a notice under section 45 of the *Trade-marks Act* on September 28, 2005 to Molson Canada (now Molson Canada 2005) the registered owner of the above referenced trade-mark.

The trade-mark CELEBRATION is registered for use in association with:

> "alcoholic brewery beverages, namely beer, ale, lager, porter and stout"

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 September 28, 2002 and September 28, 2005.

Use in association with wares is set out in subsection 4(1) of the *Trade-marks Act*:

> A trade-mark is deemed to have been 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.

Provisions relating to the export of wares are contained in s-s. 4(3) of the *Act:*

(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 Lori Ball, Director, Intellectual Property for Molson Canada 2005 (Molson). Both parties filed written submissions and appeared at the oral hearing.

Ms. Ball states that Molson brews and bottles brewed alcoholic beverages for both the domestic and export markets. She further states that Molson exports CELEBRATION brand beer and attaches a copy of a waybill dated September 26, 2005 a bill of lading and an excise duty entry form relating to a shipment which included a case of 24 bottles of CELEBRATION beer from Molson to Coors Burton Brewery, in the United Kingdom.

Attached as Exhibit B is a copy of a sample label. I note that the subject trade-mark appears clearly marked on the label. The affiant states that the CELEBRATION brand beer exported as described above bore labels as illustrated in Exhibit B. Ms. Ball indicates further that the said beer was bottled in Canada and the labels depicted in Exhibit B were affixed to the bottles prior to export from Canada.

The registrant's evidence relates to export of the subject wares and therefore this is a situation to which s-s. 4(3) of the *Act* applies.

The Act requires, as noted above:

a) that the trade-mark be marked in Canada
b) on the wares or packaging, and
c) that the wares be exported from Canada.

The export of a single item bearing the trade-mark in question can be sufficient to meet the requirements of use of a trade-mark pursuant to subsection 4(3) of the *Act* provided that the export is in the nature of a commercial transaction *Molson Companies Ltd. V*

Moosehead Breweries Ltd. (1990) 32 C.P.R. (3d) 363; *Brouillette Kosie v. Molson Breweries, a Partnership* (2002) 22 C.P.R. 412 at 415 (T.M.S.H.O.)).

In *Molson v Moosehead* (*supra*), the Court states at page 373:

> "It may be that in a given case of export transactions, deemed use in Canada can be established by evidence of an isolated, or a single, commercial transaction".

Further at page 373 the Court states:

> "In my view, s.4(3) requires that the wares to which a trade-mark is affixed in Canada, or to their containing packages on which it is affixed, be sent out of Canada to another country in a commercial transaction, if use of the trade-mark on exported wares is to be deemed use in Canada."

From the *Molson v Moosehead* (*supra*) decision, it would appear that although there is no requirement that the sale be in the normal course of trade, a commercial transaction must be established.

In *Brouillette Kosie* (*supra*) it is clear from the decision of Savard (HO) that evidence of sale or transfer (as opposed to a gift) is necessary to establish a commercial transaction. In that case the export of beer marked with the trade-mark TRIBUTE was upheld as use pursuant to s-s. 4(3) on the basis of invoices which established that the customer was charged by the registrant for the beer exported.

Exhibit A

The requesting party alleges that the documents attached as Exhibit A are insufficient to establish use pursuant to s-s.4(3).

The first document is a waybill dated September 26, 2005 (within the relevant period). The waybill identifies LC Navigation Ltd. as the carrier of the shipment and identifies the "shipper/exporter" as Molson Coors Brewing Co. The waybill indicates that the freight

was loaded on board on September 26, 2005. I note that the said document indicates that 120 cases of beer were loaded, but does not identify the beer by brand.

The second document is a bill of lading, which identifies the shipper as Molson Canada Inc., and among other information, Coors Burton Brewery is entered in the line "sold to". Further at the bottom of the document where there is space to identify the relationship between the parties, this has been filled in with "Unrelated/Non Lié". The relationship of this document to the waybill is unclear, as the bill of lading indicates a departure date September 9, 2005, which appears inconsistent with the loading date of September 26, 2005, noted on the waybill. This is somewhat confusing as the affiant states in paragraph 6 that all the documents relate to "*a shipment* which included a case of 24 bottles of CELEBRATION brand beer" (emphasis mine). In my view a reasonable interpretation of this statement would be that all documents relate to the same shipment; on the face of the documents, however, considering their differences, this appears unlikely.

A Revenue Canada Customs Excise form also forms part of the documents attached as Exhibit A. Although this document appears to reference the same delivery numbers as the bill of lading, as the requesting party pointed out, neither the certificate of exportation section nor the landing certificate have been completed. As such, without further explanation in the affidavit of the purpose and function of this document, I cannot consider that this supports the affiant's statement of export of the subject wares.

I find it somewhat puzzling that in the present instance there is no actual invoice attached as a clear record of a commercial transaction between the registrant and Coors Burton Brewery. In the recent Section 45 decision of *Parlee McLaws LLP v. Molson Canada* (June 21, 2007 TMOB) (unreported), use of the trade-mark on GRIZZLY brand beer pursuant to s-s. 4(3) of the *Act* was accepted, by virtue of documents that included an invoice, a packing list and a certificate of origin, all dated within the relevant period.

In conjunction with this observation, I note again that in paragraph 6 of Ms. Ball's affidavit, the waybill, bill of lading and excise duty entry form are stated to relate to a

"shipment" which included CELEBRATION brand beer. In my view a "shipment" is not necessarily a commercial transaction. Nowhere in the affidavit does the affiant actually state that these document are related to a "sale" of beer.

Although the bill of lading might appear somewhat helpful in this regard as it lists Coors Burton Brewery in the "sold to" line of information, I am of the view that this is not sufficient. I do not consider one such entry on only one of the three documents provided, to be clear unequivocal evidence of a commercial transaction. In the absence of additional documentation or a sworn statement by the affiant, such as to provide sufficient evidence of a required "commercial transaction", I am unable to conclude that deemed use in Canada has been established such as to meet the requirements of s-s.4 (3) of the *Act.*

In view of the foregoing, it is not necessary to deal with the other submissions of the requesting party regarding which entity may have been using the mark; nor is it necessary to decide if use on beer would have been considered use on all the wares in the registration. I would comment however, on the basis of the decision in *John Labatt Ltd. v. Rainier Brewing Co.* (1984), 80 C.P.R. (2d) 228 (F.C.A.), that had use been found, the evidence would only have supported use on "alcoholic brewery beverages, namely beer".

Accordingly, it is my conclusion that TMA 181,134 CELEBRATION be expunged for failure to show use pursuant to Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

DATED AT GATINEAU, QUEBEC, THIS 19TH DAY OF MARCH 2008.

P. Heidi Sprung
Member, Trade-marks Opposition Board