



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2017 TMOB 32
Date of Decision: 2017-03-17

IN THE MATTER OF SECTION 45 PROCEEDINGS

Dallevigne S.P.A.

Requesting Party

and

Maison des Futailles SEC

Registered Owner

**TMA252,123 for MONALISA & Design
TMA387,264 for MONALISA & Design**

Registrations

[1] This decision pertains to summary expungement proceedings with respect to registration Nos. TMA252,123 and TMA387,264 for the trade-marks MONALISA & Design shown below (the Marks), owned by Maison des Futailles SEC.



TMA252,123



TMA387,264

[2] Each of the Marks is registered for use in association with the goods “*liqueur d’amandes*” (almond liqueur).

[3] For the reasons that follow, I conclude that the registrations ought to be expunged.

The Proceeding

[4] On October 31, 2014, the Registrar of Trade-marks sent notices under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to Centre de recherche et de développement Melville Inc. / Melville Research and Development Centre Inc. (Melville), then registered as owner of the Marks. The notices were sent at the request of Dallevigne S.P.A. (the Requesting Party).

[5] I note that the registration pages show that Maison des Futailles SEC became the owner of registration Nos. TMA252,123 and TMA387,264 by assignment from Melville on June 28, 2016, which assignment was recorded on January 11, 2017. Since the change of owner stems from an assignment that occurred after the date of the section 45 notices, the change of owner has no consequence in this case.

[6] The section 45 notices required Melville to furnish evidence showing that it had used the Marks in Canada, at any time between October 31, 2011 and October 31, 2014 (the Relevant Period), in association with the registered goods. If the Marks had not been so used, Melville was required to furnish evidence providing the date when each of the Marks was last used and the reasons for the absence of use since that date.

[7] The relevant definition of “use” in association with goods is set out in section 4(1) of the Act as follows:

4(1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[8] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for removing “deadwood” from the Register. The

criteria for establishing use are not demanding and an overabundance of evidence is unnecessary. Nevertheless, sufficient facts must be presented to allow the Registrar to conclude that the trade-mark was used in association with each of the goods or services specified in the registration at any time during the relevant period [see *Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448, 31 CPR (4th) 270]. Mere statements of use are insufficient to prove use of the trade-mark [see *Aerosol Fillers Inc v Plough (Canada) Ltd* (1980), 53 CPR (2d) 62 (FCA)].

[9] In each case, in response to the Registrar's notice, Melville filed the affidavit of Sylvain Fontaine, sworn on May 28, 2015. This affidavit pertains to both proceedings and to a concurrent section 45 proceeding with respect to registration No. TMA762,137 for the trade-mark MONALISA. A separate decision will issue for that registration.

[10] Both parties filed written representations in each proceeding; a hearing was not held.

Melville's Evidence

[11] I note that my use of "the MONALISA Marks" in my review of the evidence reflects Mr. Fontaine's collective reference to the Marks and the trade-mark MONALISA (TMA762,137) in his affidavit.

[12] Mr. Fontaine identifies himself as the President of Melville and the Senior Vice-President, Sales and Marketing, of Maison des Futailles s.e.c. (MdF). He states that Melville is a subsidiary of MdF.

[13] Mr. Fontaine explains that Melville granted MdF two consecutive licences to use the MONALISA Marks. I note that the second licence referenced by Mr. Fontaine covers the Relevant Period.

[14] Mr. Fontaine states that MdF is a producer, bottler and distributor of alcoholic beverages, including almond liqueurs (amaretto). He explains that, in Québec, MdF sells its liqueurs to the Société des alcools du Québec (SAQ), which in turn sells the liqueurs to restaurants and bars, as well as through its own retail branches. He states that, in other provinces, MdF sells its liqueurs to analogous bodies, for example, the Alberta Gaming & Liquor Commission (AGLC) which distributes the liqueurs to various alcoholic beverage retailers in Alberta.

[15] Mr. Fontaine states that MdF sold almond liqueurs and coffee liqueurs in Canada during the Relevant Period in bottles with labels bearing the MONALISA Marks. His affidavit contains images of those bottles; the following is the image of the almond liqueur bottle (the Label Design):



[16] Mr. Fontaine attests that such liqueurs met certain quality standards, which are stipulated in the licence MdF received from Melville. Mr. Fontaine further states that he himself, as President of Melville, as well as Senior Vice-President, Sales and Marketing, of MdF, is the one who ultimately approves the quality of the MONALISA liqueurs.

[17] In support, Mr. Fontaine attaches the following exhibits to his affidavits:

- Exhibit SF-1 is a printout of Melville's corporate particulars from the Registraire des entreprises du Québec, as of May 25, 2015. I note that Mr. Fontaine is listed as Melville's President.

- Exhibit SF-2 is a copy of the second licence agreement between Melville and MdF. I note that section 5.1 of the licence agreement requires MdF to maintain goods sold in association with the Marks at a level of quality consistent with the Marks' existing reputation and prestige. In addition, section 5.2 of the agreement allows Melville to verify that this quality standard is being maintained, by checking goods branded with the Marks and by inspecting the premises used by MdF in connection with such goods. Section 5.2 also allows Melville to communicate with retailers of the goods to ensure that the stipulated quality standard is being respected. I note as well section 10.2 of the agreement which provides for termination of the licence by either party if the other side fails to meet its material obligations under the agreement.
- Exhibit SF-3 is a printout from the SAQ website, advertising a bottle of "Monalisa Amaretto" almond liqueur. I note that an image of the liqueur bottle is shown on the exhibited webpage. The design on the depicted bottle appears to be the Label Design, although the text on the label is illegible. The printout is dated after the Relevant Period, but Mr. Fontaine attests that almond liqueur was advertised the same way during the Relevant Period.
- Exhibit SF-4 consists of six invoices from MdF, three of which show sales of "Amaretto Monalisa 1.14 L" to the SAQ. Mr. Fontaine attests that the invoiced almond liqueur was sold in bottles bearing the Label Design. Two of the invoices for the almond liqueur are dated within the Relevant Period; the third is dated several days before the beginning of the period, but Mr. Fontaine attests that the invoiced products were sold by the SAQ during the Relevant Period.
- Exhibit SF-5 consists of artwork for two advertisements. Mr. Fontaine attests that such advertisements were posted in certain Québec pool halls in January 2014 and May 2014, to promote beverages made with MONALISA almond liqueur. The design on one of the bottles depicted in each advertisement appears to be the Label Design, although only the word MONALISA is legible on the depicted label.
- Exhibit SF-6 consists of artwork for a discount coupon. Mr. Fontaine attests that such coupons were hung on bottles of MONALISA almond liqueur offered on SAQ's retail

shelves from March 30, 2014 to June 21, 2014. A bottle of almond liqueur bearing the Label Design is depicted on the coupon.

Analysis

[18] In its representations, the Requesting Party does not contest that the evidence demonstrates sales of the registered goods in Canada in the normal course of trade in bottles displaying the Label Design during the Relevant Period. Indeed, the evidenced invoices show sales of “Monalisa” almond liqueur by MdF to provincial liquor control boards during the Relevant Period and Mr. Fontaine attests that such almond liqueurs were sold in bottles displaying the Label Design.

[19] However, the Requesting Party contends that such sales do not constitute use of the Marks by Melville. The Requesting Party’s submissions in this respect are two-fold: first, that any use of the Marks by MdF does not accrue to Melville’s benefit and, second, that the trademark displayed on MdF’s almond liqueur bottles is not one of the Marks as registered.

Use by the Registered Owner

[20] Pursuant to section 50(1) of the Act, for MdF’s use of the Marks to be deemed use by Melville, Melville must maintain “direct or indirect control of the character or quality of the goods” sold in association with the Marks.

[21] As stated by the Federal Court, there are three main methods by which a trade-mark owner can demonstrate the requisite control pursuant to section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of a licence agreement that provides for the requisite control [per *Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248].

[22] In the present case, the Requesting Party argues that the licence agreement provided by Mr. Fontaine at Exhibit SF-2 is insufficient to demonstrate the requisite control, because the agreement (i) does not define the quality standard that MdF is required to meet, (ii) does not

indicate that Melville sets the quality standard, (iii) does not give Melville any power if the standard is not met, and (iv) does not explicitly employ the word “control” or a close synonym.

[23] Notwithstanding the Requesting Party’s submissions, I am satisfied that the exhibited licence agreement meets the requirements of section 50(1) of the Act for the purposes of this proceeding. Specifically, I am satisfied that the exhibited licence agreement sufficiently provides for Melville’s control of the quality of the goods sold in association with the Marks. Indeed, as I previously indicated, the agreement requires Mdf to maintain the quality of the goods at a level consistent with the Marks’ existing reputation and prestige and grants Melville various inspection rights to ensure that this level of quality is maintained. Furthermore, the agreement empowers Melville to terminate Mdf’s licence should Mdf not meet its obligations under the agreement.

[24] In view of the foregoing, I am satisfied that any demonstrated use of the Marks by Mdf constitutes use of the Marks enuring to the benefit of Melville.

Use of the Marks as Registered

[25] The key issue in this case is whether the Marks were displayed on the registered goods at the time of transfer. In this respect, the Requesting Party submits that Melville did not use the Marks as registered on the almond liqueur bottles sold in Canada during the Relevant Period. The Requesting Party argues that the Label Design deviates substantially from the Marks as registered, in particular with respect to the cropping of the portrait element, but also with respect to the disposition of the word elements.

[26] In considering whether display of the Label Design also constitutes display of one or both of the Marks as registered, the question to be asked is whether the trade-mark was used in such a way that it did not lose its identity and remained recognizable, in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade Marks) v Cie internationale pour l’informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this issue, one must look to see whether the “dominant features” of the trade-mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[27] In its representations, Melville submits that the dominant features of both Marks as registered are (i) the word AMARETTO in block letters, (ii) the word MONALISA as a single word in cursive script, (iii) an image of the Mona Lisa on top of the preceding elements, and (iv) a crackled background giving an antique impression. Melville submits that the dominant and distinctive features of the Marks are maintained in the Label Design; any differences between the Marks as registered and the Label Design are mere nuances.

[28] Although I agree with Melville that the words AMARETTO and MONALISA and the image of the Mona Lisa are dominant features of the Marks as registered, I disagree that the image of the Mona Lisa has been preserved in the Label Design.

[29] Specifically, the image of the Mona Lisa in each of the Marks as registered is, essentially, a head-and-shoulders portrait. Although the trade-mark MONALISA & Design of registration No. TMA387,264 appears to include the complete half-length portrait, given the placement of the word elements the emphasis is, in my view, on the head-and-shoulders portion. Considering each Mark as a whole, I find that the head-and-shoulders presentation of the Mona Lisa is an integral aspect of this particular feature of the Marks.

[30] In contrast, the image of the Mona Lisa in the Label Design is a “nose-mouth-and-chin” view. The complete presentation of the head and shoulders, a dominant feature of the Marks as registered, has not been preserved in the Label Design.

[31] Melville submits that display of the bottom half of the face is sufficient for the image of the Mona Lisa to be recognized as such. However, regardless of whether the image would in fact be recognizable in the absence of the word MONALISA underneath, the identity of the face is not the issue in this case. Rather, the issue is whether each Mark as a whole — not just the subject matter of one of its elements — remains recognizable in the Label Design. In this respect, I find that the particular cropping of the Label Design constitutes a new dominant feature that modifies the Marks to the point where they are no longer recognizable. The identity of each Mark has changed from one featuring a classic head-and-shoulders portrait to one featuring a close-up of the bottom of the subject’s face. This is a substantial change that significantly alters the overall visual impression created by the trade-mark.

[32] Melville further submits that the Label Design preserves the enigmatic Mona Lisa smile as an important distinctive feature. However, although I accept that the smile is an important feature of the Mona Lisa portrait, the smile's presence in the Label Design is insufficient for display of that design to constitute display of either Mark as registered. The fact remains that a dominant feature of the Marks as registered — the head-and-shoulders portrait, including the complete facial expression — has not been preserved in the Label Design.

[33] With respect to the word elements in the Marks, I consider the changes in the appearance and arrangement of those elements, and the addition of descriptive words in the Label Design, to constitute minor variations from the Marks as registered. Notwithstanding, given the significant changes to the portrait element, I find that the dominant features of the Marks as registered have not been preserved, such that the Marks have lost their identity and do not remain recognizable in the Label Design.

[34] Therefore, I am not prepared to conclude that the evidenced use of the Label Design constitutes use of either Mark as registered.

Disposition

[35] In view of all of the foregoing, I am not satisfied that Melville has demonstrated use of the Marks in association with the registered goods within the meaning of sections 4(1) and 45 of the Act. Further, Melville has provided no evidence of special circumstances excusing the absence of such use.

[36] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, both registrations will be expunged.

Céline Tremblay
Acting Chair
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: No Hearing Held

AGENTS OF RECORD

BCF s.e.n.c.r.l. / BCF LLP

For the Registered Owner

MacRae & Co.

For the Requesting Party