Summary Expungement of Registered Trade Marks on the Ground of Non-Use

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Abstract
A person who obtains registration of a trade mark under the Trade Marks Act acquires a very valuable right. Unless his registration is shown to be invalid, he may prevent anyone else using the same trade mark anywhere in Canada on any of the wares or services to which his registration extends. In addition, the registrant may prevent the use of a confusing trade mark or trade name, namely, any mark or name, whether in respect of the same wares or services or others, which would likely lead to the inference that the latter’s wares, services or business are associated with the former’s trade mark or business. The registrant may also prevent uses of his mark by others in a manner likely to depreciate the value of its goodwill. As well as obtaining injunctive and ancillary relief, the registrant may sue either in the Federal Court or a competent provincial court to recover damages or an account of profits in respect of such infringements.

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SUMMARY EXPUNGEMENT OF
REGISTERED TRADE MARKS ON THE
GROUND OF NON-USE

By DAVID VAYER*

I. INTRODUCTION

A person who obtains registration of a trade mark under the Trade Marks Act\(^1\) acquires a very valuable right. Unless his registration is shown to be invalid,\(^2\) he may prevent anyone else using the same trade mark anywhere in Canada\(^3\) on any of the wares or services to which his registration extends.\(^4\) In addition, the registrant may prevent the use of a confusing trade mark or trade name,\(^5\) namely, any mark or name, whether in respect of the same wares or services or others, which would likely lead to the inference that the latter's wares, services or business are associated with the former's trade mark or business.\(^6\) The registrant may also prevent uses of his mark by others in a manner likely to depreciate the value of its goodwill.\(^7\) As well as obtaining injunctive and ancillary relief, the registrant may sue either in the Federal Court or a competent provincial court to recover damages or an account of profits in respect of such infringements.\(^8\)

\(^1\) R.S.C. 1970, c. T-10. All references to sections henceforth shall, unless the contrary is stated, be to the Trade Marks Act.


\(^3\) Section 19. Where a mark has been admitted to registration pursuant to s. 12(2) upon a showing of distinctiveness, the Registrar has power to limit the registration to the territory where such distinctiveness is shown: s. 31(2). The Court has asserted a similar power in proceedings commenced before it: Home Juice Co. v. Orange Maison Ltée, [1968] 1 Ex. C.R. 313 at 318-20, 53 C.P.R. 71 at 76-78, 36 Fox Pat. C. 179 at 184-86 (point not disputed on appeal, [1970] S.C.R. 942-43, 16 D.L.R. (3d) 740-41, 1 C.P.R. (2d) 14-15).


\(^5\) Section 20.

\(^6\) Section 6.

\(^7\) Section 22. The leading decision on this provision is Clairol International Corp. v. Thomas Supply & Equipment Co., [1968] 2 Ex. C.R. 552, 38 Fox Pat. C. 176.

\(^8\) Section 53.
The grant of such rights is accompanied by certain quite modest burdens which the registrant must bear in order to maintain the validity of his registration. He must of course bear the filing fees and legal costs of registration and overcome any opposition to the grant of the registration, as well as the cost of periodic renewals of the registration. Apart from these monetary burdens the registrant must ensure the continuing validity of his registration. He must take steps to retain the continuing distinctiveness of his mark so that it continues to identify wares or services with which he is associated. In this respect, he must take care that his mark does not lose its significance as a mark and fall into the language as a common word denoting or describing a product. If he allows others to use the mark, he must ensure that they are promptly registered as permitted users under the Act.

Normally, registration of a trade mark is granted on the basis of the applicant having been the first person to use it in Canada or at least having filed an application asserting the application for the mark. Registration without actual use of the mark having first occurred in Canada is permitted in only two other instances: first, when the mark has become well known in Canada as a result of foreign use coupled with advertising or distribution of the wares or services in Canada; secondly, where the mark has been registered and used abroad. The purpose of registration is thus to grant rights in trade marks that are gen-

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9 Registrations must be renewed every 15 years: s. 45(4)(d).
11 See, e.g., Aladdin Industries Inc. v. Canadian Thermos Products Ltd., [1969] 2 Ex. C.R. 80, 57 C.P.R. 230, 41 Fox Pat. C. 26, where the mark THERMOS for vacuum bottles survived a challenge on this ground.
13 Subsections 39(2),(3). The Registrar is however prepared to allow extensions of time, pursuant to s. 46, of up to 12 months to file the declaration of use.
14 Subsection 16(1); s. 5. As to the meaning of “made known” under s. 5, see Valle’s Steak House v. Tessier (1980), 49 C.P.R. (2d) 218 at 225-26, [1981] 1 F.C. 441 at 450 (F.C.T.D.).
15 Subsection 16(2). A less rigorous standard of registrability may apply in respect of such marks: s. 14.
Trademark Expungement

The Act has not been set up as a sort of copyright registry of trade marks to promote the business of devising trade marks so that they may be bought and sold as commodities. It is there for the use of trademarks in business, not for business in trademarks.16 The particular rights are granted so that the registrant can build up a trade through the drawing power of his congenial trade symbols. He may ultimately choose to sell his mark and its goodwill, and thereby reap the rewards of his enterprise. But a mark which is no longer used by the registrant has no real claim to continuing protection under the Trade Marks Act: a mark without trade is no trade mark.

Under the Trade Marks Act there are two means whereby the registration of a mark which is not being used may be expunged. The first is by an interested person17 moving the Trial Division of the Federal Court to expunge the registration on the basis that the mark has been abandoned by its registrant and that accordingly the registration is invalid.18 Proof of abandonment, however, is quite strict. It is not sufficient merely to show that the trade mark is no longer being used; the registrant must also be shown to have intended to abandon the mark.19 An intent to abandon may be demonstrated by a conclusive act, for example if the registrant voluntarily applies to the Registrar of Trade Marks to cancel the registration.20 More often than not, the intent must be proved by circumstantial evidence. A long period of non-use, coupled with passive acceptance of widespread infringement, may suffice.21 So may the adoption of a different mark in respect of the same wares,22 or the discontinuation of dealing with the wares altogether, unless the cessation was due to circumstances beyond the registrant's control.23 In practice, however, proof of abandonment by circumstantial evidence is a difficult and costly enterprise. A registrant who has not used his mark for a long time and finds someone else now interested in using it is not likely to take kindly to the interloper's proposal. As the proud possessor of a registered mark, he feels entitled to demand tribute of anyone who wishes to use it or else to adopt a dog-in-the-manger attitude of "I'm not using it, but you can't either".

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16 John Batt & Co. v. Dunnett, (1899) 16 R.P.C. 411 at 413, per Halsbury L.C. arguendo: "The Trade Marks Acts are not for copyright in marks, they are to protect trade marks. If you have no goods you are claiming only copyright, you are not claiming for the purpose of protecting your trade." C.f. In Re American Greetings Corp.'s App., The Times, April 30, 1983 (C.A.): registration of licences to use "HOLLY HOB-BIE" mark refused because "trafficking" in the mark would tend to be facilitated (Trade Marks Act, 1938, 1 & 2 Geo. 6, c. 22, s. 28(6) U.K.).

17 Defined in s. 2.

18 Subsection 18(1)(c); s. 57.


20 Subsection 40(1)(b).


23 Bayer's case, supra note 2, at 598-99.
It was to provide a second alternative and simpler method of cleansing the Trade Marks Register of unused marks that a system of summary expungement was first introduced into Canadian trade mark legislation in 1953 as section 44 of the Trade Marks Act. Especially over the past few years this provision has engendered a spate of litigation. As a result, some matters have been considerably clarified, others have remained obscure, and still others have been confused as a result of conflicting decisions in the Trial Division of the Federal Court. It seems therefore an opportune moment to review the current state of affairs under section 44. That is the purpose of this article.

Section 44 reads as follows:

(1) The Registrar may at any time and, at the written request made after three years from the date of the registration by any person who pays the prescribed fee shall, unless he sees good reason to the contrary, give notice to the registered owner requiring him to furnish within three months an affidavit or statutory declaration showing with respect to each of the wares or services specified in the registration, whether the trade mark is in use in Canada, and, if not, the date when it was last so in use and the reason for the absence of such use since such date.

(2) The Registrar shall not receive any evidence other than such affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade mark or by or on behalf of the person at whose request the notice was given.

(3) Where, by reason of the evidence furnished to him or the failure to furnish such evidence, it appears to the Registrar that the trade mark, either with respect to all of the wares or services specified in the registration or with respect to any of such wares or services, is not in use in Canada and that the absence of use has not been due to special circumstances that excuse such absence of use, the registration of such trade mark is liable to be expunged or amended accordingly.

(4) When the Registrar reaches a decision as to whether or not the registration of the trade mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trade mark and to the person at whose request the notice was given.

(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in such appeal.

(6) In this section, "Registrar" includes such person as may be authorized by the Registrar to act on his behalf for the purpose of this section.

II. HISTORY OF THE PROVISION

Under section 42 of the Trade Mark and Design Act the Exchequer Court had power to expunge "any entry made without sufficient cause" on the Trade Marks Register. The provision was similar to one appearing in the Patents, Designs and Trade Marks Act, 1883 which the English Court of Appeal in J. Batt & Co.'s Mark held gave power to the court to expunge a

24 For a thorough review of the then current case law, see Mitches, Trade Mark Expungement under Canadian Law (1969), 15 McGill L.J. 392 at 397-413.
26 R.S. 1906, c. 71.
28 (1898), 15 R.P.C. 534.
registration as regards both initial defects and matters arising subsequent to the registration which rendered it unlawful for the mark to remain on the register. Batt's case was originally held by the Exchequer Court to be applicable to section 42 of the Canadian Act. However, in 1924 a majority of the Supreme Court of Canada, reversing a decision of the Exchequer Court which had followed Batt's case, held in The Bayer Co. v. American Druggists' Syndicate Ltd. that section 42 of the Canadian Act did not empower the Court to expunge a registration by virtue of matters arising after it had been made. Thus, the fact that the registrant may have abandoned the mark was irrelevant; the mark would continue to remain registered. Whether a defendant could plead abandonment as a defence if sued for infringement was left undecided. The majority of the Court considered Batt's case as not being a persuasive authority, first, because the House of Lords had not considered it necessary to decide the point when Batt was under appeal and, secondly, because specific legislation was thought necessary to be enacted in subsection 35(1) of the British Trade Marks Act, 1905 empowering the High Court to expunge "an entry wrongly remaining on the register."

Seen in retrospect, the majority's view in Bayer of the precedential value of Batt's case in England was quite likely wrong. A citation from the leading English text on trade marks supposedly supporting the holding was not accompanied by a reference to the earlier edition of that text immediately following upon Batt's case which accepted its authority. Further, in 1973 the House of Lords in conducting an historical examination of English trade marks legislation had no difficulty in accepting Batt's case as authority. Lord Diplock said in a speech concurred in by the House that:

The alteration in wording of the Act of 1905 thus did no more than to spell out in express words, and so place beyond doubt, a power which the Court of Appeal had held as a matter of construction was conferred by the words already present in the corresponding section of the Act of 1883.

However, since no appeal was taken from Bayer's case to the Privy Council, the law in Canada remained settled by the majority's decision in that case. It was not until the enactment in 1932 of the Unfair Competition Act that it

32 5 Edw. 7, c. 15 (U.K.).
33 Supra note 30, at 578 per Duff J.
34 Kerly and Underhay, The Law of Trade-Marks, Trade-Names and Merchandise Marks (5th ed. London: Sweet & Maxwell, 1923) 344; cited by Duff J. in the Bayer case, supra note 31, at 578-79. This edition of Kerly dealt only in passing with the 1883 Act which had by then been superseded by two major revisions in 1905 and 1919.
35 Kerly, supra note 34 (2nd ed. London: Sweet & Maxwell, 1901) 280: "It would seem, therefore, that if a registered proprietor ceases to carry on business, or abandons all further intention to trade in the goods for which the mark is registered, or in any other way renders it improper that the mark should remain on the Register, it can be removed."
37 1932 S.C., 22 & 23 Geo. 5, c. 38.
became possible to expunge a registration for subsequent abandonment of the mark. By subsection 52(1) of that Act, the Exchequer Court was given power, at the suit of the Registrar or any “person interested”, to strike out or amend any entry on the register if it “does not accurately express or define the existing rights” of the registrant. This included the power to strike out the entry of a mark which had subsequently been abandoned. In addition, the Registrar was empowered, either of his own accord or at the request of any third party, to send a notice to the registrant proposing that the registration be cancelled or amended on the ground of non-use. The Registrar could however expunge or amend only if the registrant agreed, if he failed to respond at all to the notice within a specified period, or if the registration had not been renewed and the appropriate renewal fee was not paid within a specified time. Apart from these situations, if the registrant made “any objection” to the proposed action, the Registrar was precluded from acting.

One of the tasks facing the Fox Trade Mark Law Revision Committee after its establishment in 1947 was to consider how the obvious deficiencies in these provisions relating to expungement for subsequent non-use should be remedied. The Committee in its 1953 Report recommended the enactment of what is now section 44 of the Trade Marks Act. There were two basic models available to assist the Committee in framing the terms of section 44. One was provided by the British Trade Marks Act, 1938, under which a trade mark could be expunged by the Registrar in his discretion on the basis of five years continuous non-use, unless the non-use was “shown to have been due to special circumstances in the trade and not to any intention not to use or to abandon” the mark. The second model was provided by the American Lanham Act of 1946, under which a registrant was obliged during the sixth year after registration to file an affidavit “showing that the said mark is still in use or showing that its non-use is due to special circumstances which excuse

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38 Defined compendiously in s. 2(h) of the 1932 Act.
39 Fox, The Canadian Law of Trade Marks and Industrial Designs (Toronto: U. of Tor. Press, 1940) 167 et seq.
40 Unfair Competition Act, 1932 S.C., 22 & 23 Geo. V, c. 38, s. 49, 50.
41 Id. s. 49(4).
42 The Report is conveniently found in the Appendix to Fox, 2 The Canadian Law of Trade Marks and Unfair Competition (2nd ed. Toronto: Carswell, 1956) 1142; as to s. 44, see id. 1175-176.
43 Under s. 37 of the Trade Marks Act 1905, 5 Edw. 7, c. 15, (U.K.), this jurisdiction rested solely in the High Court. Under s. 26(1) of the 1938 U.K. Act 1 & 2 Geo. 6, c. 22 the High Court has concurrent jurisdiction to expunge for non-use, except where an action concerning the trade mark is pending, in which case s. 54(a) grants exclusive jurisdiction to the High Court.
44 Trade Marks Act, 1938, 1 & 2 Geo. 6, c. 22, s. 26(1)(b) (U.K.). A further ground for expungement is lack of any bona fide intention to use the mark at the time of registration, accompanied by a lack of user: s. 26(1)(a). See generally, Blanco White and Jacob, Kerly’s Law of Trade Marks and Trade Names (10th ed. London: Sweet & Maxwell, 1972) paras. 11-35 et seq.
45 Use on goods of the same description as those covered by the registration constitutes a discretionary reason against expungement: s. 26(1), proviso.
such non-use and is not due to any intention to abandon the mark.”

Failure to file an acceptable affidavit resulted in the Patent Office expunging the mark at the end of the sixth year.

It seems that the Fox Committee drew its inspiration as regards section 44 largely from the British model. The Registrar would initially determine the question of use or special circumstances excusing non-use, subject to an appeal to the Exchequer Court. On the other hand, rather than leaving the matter to be decided by means of a trial on full evidence before the Registrar, the Committee sought to emulate the United States model of having the issue resolved by a simple affidavit showing use or special circumstances excusing non-use. Whether this amalgam as conceived or put into practice is in fact a workable scheme is a question upon which minds may well differ.

We now turn to an examination of section 44 and the way in which it has been interpreted.

III. GENERAL PURPOSE OF SECTION 44

The trade marks register ought to furnish as accurate a picture as possible of the marks which are in current active use. The obligation to use his mark is, after all, the modest continuing toll the trade mark owner has to pay for the considerable benefits registration confers on him. Marks no longer in use clutter up the register and present unfair obstacles to later applicants wishing to secure the same or an otherwise confusingly similar registration. It is therefore useful to have a simple, efficient and speedy procedure for trimming the register of such “dead wood”. Section 44 of the Act is designed to provide such a system as an alternative to full-scale expungement proceedings before the Federal Court. In the past, both the Registrar and the Court have been concerned to ensure that the summary nature of the procedure is preserved; thus, indirect attempts to turn section 44 into something resembling a full-scale Federal Court proceeding for expungement on the grounds of abandonment have been on the whole sought to be resisted. So too have procedural

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47 Ch. 540, 60 Stat. 427 s. 8(a) (1946). A similar affidavit must be filed when renewing the registration: s. 9(a). See generally, Seidel, Dubroff & Gonda, Trademark Law & Practice (New York: Boardman, 1963) ch. XIX.

48 See, e.g., Hermant v. Sunmaster Awning Co. (1959), 18 Fox Pat. C. 184 and Frank W. Dorner Ltd. v. G.D. Searle & Co. (1970), 64 C.P.R. 270 (Reg. T.M.) where marks cited during opposition were expunged under s. 44, causing the oppositions based on such marks to collapse. The Trade Marks Office has refused to consider such expunged marks during opposition proceedings where a pending appeal from expungement to the Federal Court has not, at the time of the hearing before the Registrar, been prosecuted with despatch and resolved: Trafalgar Sportswear Ltd. v. Sabre (Sportswear) Ltd. (1981), 62 C.P.R. (2d) 243 at 247 (Reg. T.M.).


manoeuvrings designed to stave off decisions on pending section 44 proceedings. Thus, a registrant whose horizon is clouded by an imminent section 44 hearing cannot clear it by commencing an infringement action and, when the defendant pleads abandonment of the mark as a defence, seeking to persuade the Registrar to stay the section 44 proceedings pending the outcome of the court proceedings. The Federal Court of Appeal has ruled that the Registrar has no inherent power to stay section 44 proceedings or to postpone his decision pending the outcome of other proceedings.\textsuperscript{52}

One problem, however, with regard to the whole underlying concept of section 44 proceedings should be noted here. Although normally an applicant to register has either used the mark or proposes to use it, an application may also be made on the basis that the mark has been made known in Canada\textsuperscript{53} even though use here has been minimal or indeed non-existent, or on the basis that the mark has been registered in the country of origin\textsuperscript{54} of the applicant or his predecessor in title and used abroad.\textsuperscript{55} The Act no doubt is designed to encourage such registrants to use the mark in Canada,\textsuperscript{56} but an unused mark that is expunged under section 44 may still retain the basis upon which it was initially granted Canadian registration. The fact that a mark is not used at the time of the section 44 notice does not mean that it is not known in Canada in terms of section 5 of the Act. Therefore, there seems no reason why the owner of such a mark who has suffered or is even faced with the threat of expungement under section 44 may not successfully apply to register the mark afresh by reason of its still being well known in Canada or by reason of its foreign registration and use.\textsuperscript{57} Indeed, even more basically, an expunged registrant whose application was originally based on use in Canada may theoretically re-apply on the same basis or oppose an application for the same mark, citing his original first use. This dysfunction between the operation of expungement and registrability criteria certainly requires rethinking.

IV. INITIATING THE PROCEDURE

The procedure under section 44 is activated by the Registrar in one of two ways, either of his own accord or upon a written request made by a third party. From the point of view of a third party wishing to see an entry expunged, there


\textsuperscript{53}Subsection 16(1); see note 14, supra.

\textsuperscript{54}As defined in s. 2.

\textsuperscript{55}Subsection 16(2).

\textsuperscript{56}Re The Dover Engineering Group Ltd. (1977), 29 C.P.R. (2d) 123 at 125 (Reg. T.M.).

\textsuperscript{57}Apparently a common phenomenon: see Gadban, Thoughts on Trade Mark Use following Pharmaco (1982), 11 P.T.I.C. Bull. 630 at 636. Such an application will not however have priority over any intervening user or applicant.
are both advantages and disadvantages in having the Registrar act *suo motu*. The principal advantage, apart from the fact that no fee is payable, is that the Registrar may act "at any time"; one might expect the Registrar to do so just before a registration is due to be renewed. The principal disadvantage to any action by the Registrar *suo motu*, so far as a third party is concerned, is that the proceeding is one between the registrant and the Registrar only. A third party is not entitled to be notified of any step in the proceeding or of the decision; he is not entitled to make representations to the Registrar; nor may he initiate or be heard on any appeal from the Registrar's decision.  

A person wishing to set the procedure under section 44 in motion does so by making a written request to the Registrar, accompanied by the prescribed fee. The request may be made no earlier than three years after the mark has been registered. The Registrar must act on the request "unless he sees good reason to the contrary," a qualification no doubt intended to prevent frivolous, vexatious or duplicative requests. The notice should clearly specify the person on whose behalf it is being sent; an unnamed or undisclosed principal or, for that matter, any person other than the one specified as making the request, is not entitled to make representations to the Registrar nor to initiate or to be heard on any appeal from the eventual decision.  

The requesting party is not permitted to file any evidence or to counter or cross-examine on any affidavit filed by the registrant. This applies not only in respect of proceedings before the Registrar but also, apart from exceptional circumstances, on any appeal to the Federal Court from this decision.  

58 Theoretically, no doubt, the Registrar may even be persuaded to serve a notice under s. 44 very shortly after the registration is effected, although in practice he is unlikely to do so in the absence of special circumstances.  


60 Subsection 44(1). Absent the qualification, the Registrar might have no discretion to refuse a request: *cf. Insurance Corp. of B.C. v. Reg. T.M.* (1979), 44 C.P.R. (2d) 1 at 11-12, [1980] 1 F.C. 669 at 681 (F.C.T.D.), on the word "request" in s. 9(1)(n) of the Act.  

61 *Supra* note 59, at 214. The Court doubted whether rights under a s. 44 request could be assigned. It also indicated that a notice on behalf of an unnamed principal may be rejected as incomplete: *cf. on an analogous point Holt Renfrew & Co. v. Henry Singer Ltd.*, [1982] 4. W.W.R. 481 (Alta.C.A.) (caveat under Land Titles Act not disclosing identity of caveator held invalid).  


63 *Benson & Hedges (Can.) Ltd. v. Kiewel-Pelissier Breweries Ltd. (No. 1)* (1972), 5 C.P.R. (2d) 212 at 214-15 (F.C.T.D.). This case may not be able to stand in the light of subsequent authorities: see further, Part E of Section V.  


65 The wording of s. 44(2), "may" hear representations, indicates that the Registrar is not bound to hear either the registrant or the requesting party. Sound practice however dictates that the Registrar should hold a hearing where either party requests one. The Registrar's failure in this respect may not be subject to appeal but only reviewable under s. 28 of the *Federal Court Act*, R.S.C. 1970 (2nd Supp.), c. 10, *supra* note 52.
and is entitled to receive notice of the Registrar’s decision. In the event of a
decision adverse to the requesting party’s interest being made, he may after an
appropriate interval make a further written request to the Registrar to initiate
fresh section 44 proceedings. In that event, the registrant will be unable to
plead res judicata either because of the inapplicability of the doctrine to sec-
tion 44 proceedings or because a finding of use or circumstances excusing
non-use as at day X is not a finding in respect of such matters as at later day Y.
Nor will the Registrar’s refusal to expunge under section 44 preclude a sub-
sequent application to the Federal Court to expunge the mark on the grounds
that it has been abandoned in terms of subsection 18(1)(c). Since abandonment
involves not merely non-use but an intent to abandon the mark, the
Registrar’s decision does not constitute a final finding on the issue of abandon-
ment; indeed he has no jurisdiction to adjudicate that issue.

It might at this point be inquired whether the requesting party’s motives in
initiating section 44 proceedings are relevant in any way to the outcome. In
Kightley v. Reg. T.M. Walsh J. appeared to take the view that they were. He
said in the course of his judgment:

It must never be forgotten that while an important purpose of trade mark legis-
lation is to protect a valuable asset of the owner of the trade mark and the goodwill
that goes with it, it is primarily the interest of the public which must be considered,
who should be protected from confusion by the use of a similar mark or the same
mark by others than the real owners or licensees thereof. Attempts by third parties
to take technical advantage of the provisions of the Act to take over for their
benefit, a well known trade mark of another to use it themselves, which would
result in confusion to the public, are to be discouraged, and there would be no pur-
pose in attempting to have the present trade mark expunged by alleged non-user
unless the Appellant who is engaged in the business of creating, developing and
promoting merchandising programs, lotteries and the like, had some such inten-
tion.

If a discretion to expunge exists under section 44 — which it is submitted
below is not the case — no doubt such considerations may be relevant. That
apart, it is suggested that such sentiments have absolutely no relevance to the
exercise of jurisdiction under section 44. They obviously have none where the
Registrar has initiated section 44 proceedings sua sponte. Why should the matter
be any different simply because a requesting party has prompted the
Registrar into action? The registrant is either using or not using the mark;
special circumstances excusing his non-use may or may not be present. These
issues are unaffected by the motive of the third party in requesting that section
44 proceedings be initiated. How exactly his motive may in any event be tested,

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66 Supra note 62, at 181.
67 See note 19, supra.
C.P.R. 147.
70 Even in those jurisdictions where such a discretion exists, the registration is
prima facie liable to be expunged unless some extraordinary circumstance is shown by
the registrant to exist: Carl Zeiss Stiftung’s Trade Mark, [1970] R.P.C. 139 at 146 (H.C.
Aust.). The public interest is relevant, but the Court should not assume that the re-
questing party will automatically be entitled to registration if the mark is expunged: cf.
since he is unable to give evidence either before the Registrar or the Court,\(^7\) is unclear. If indeed he does propose to adopt the mark himself if it is expunged, then the question of confusion will be tested when he applies to register. The Court should not attempt to second-guess the outcome of decisions on registrability or opposition that are no more than a gleam in the requesting party’s eye. The answer to Walsh J.’s sentiments lies in what Kerr J. said in the THERMOS case in dismissing a submission that the applicant for expungement there would merely take over the goodwill of the mark if it were expunged on the basis of its generic quality: “In taking these proceedings the applicant has followed a course which is legally available to it and seeks relief to which it bona fide believes it is entitled under the law.”\(^7^2\) This is precisely the position of a requesting party in section 44 proceedings. The public interest that unused marks be removed from the register is not outweighed by a speculative inquiry about possible public deception with regard to a mark for which no application has even been made.

Where he decides to act under section 44, whether of his own accord or upon the written request of a third party, the Registrar will give notice to the registrant requiring him to furnish within three months an affidavit or statutory declaration showing whether the mark is in use in Canada in respect of each of the wares or services specified in the registration. If the mark is not in use, the affidavit must show the date when it was last in use and the reason for the absence of use since that date. If, after hearing any representations from the registrant and the requesting party, the Registrar is not satisfied on the evidence that the mark is in use or that special circumstances excuse the absence of such use, he will notify the registrant of his decision to amend or expunge the registration. Amendment, rather than expungement, is appropriate where the evidence indicates that the mark is being used, but in respect of only some of the wares or services covered by the registration.\(^7^3\) The Registrar does not, however, have jurisdiction under section 44 to limit the territorial ambit of the registration, even though the evidence of use is highly localized.\(^7^4\)

If the registrant fails to furnish any affidavit at all in response to the Registrar’s notice, the Registrar is entitled to decide without more ado to expunge. He has jurisdiction under section 46 to extend the time limit for filing the affidavit before reaching his decision. Once he has notified his decision to expunge, however, the Registrar is functus officio and cannot grant any extension of time to the registrant to file an affidavit; the proper course is to appeal the decision to the Trial Division of the Federal Court and to file the necessary affidavit there.\(^7^5\)

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\(^7^1\) See text accompanying note 133 et seq., infra.

\(^7^2\) Supra note 11, at 127-28.


\(^7^4\) Supra note 69, at 46.


Occasionally, the reason for a registrant’s failure to file an affidavit is that the
V. FORM OF THE EVIDENCE

Subsection 44(1) requires the registered owner "to furnish . . . an affidavit or statutory declaration" showing use or special circumstances excusing non-use. By subsection 44(2) the Registrar shall not receive any evidence other than such affidavit or statutory declaration. On any appeal from the Registrar's decision to the Federal Court, under subsection 56(5), "evidence in addition to that adduced before the Registrar may be adduced." The following questions of form and procedure arise from these provisions:

A. Need the affidavit go further than simply stating that the mark is in use?
B. Must the deponent be the registered owner and no other person?
C. May only one affidavit be filed by the registrant before the Registrar?
D. Do the same rules on these points apply on appeal to the Trial Division?
E. Is the requesting party precluded from filing evidence or cross-examining on the registrant's affidavit(s) either before the Registrar or the Court?

In a recent case before the Trial Division, Keepsake Inc. v. Prestons Ltd., Cattanach J. seems to have explicitly or implicitly answered all these questions in the affirmative:

What an affiant must establish is facts from which a conclusion of "use" or "use in the normal course of trade" would follow as a logical inference from the facts established. . . . [T]he response to a notice under section 44 is limited to a single affidavit sworn by the registered owner and no other person. In my opinion in the event of an appeal it follows from the object and purpose of the section that any additional evidence adduced on appeal must be likewise limited to an additional affidavit or statutory declaration of the registered owner to preserve the objective of the section.

Authority on these matters is not, however, entirely clear.

A. How detailed must the Affidavit be?

The evidence filed must show either use of the mark or special circumstances excusing non-use. Presumably, both issues may be canvassed alternatively in the affidavit. At one time it was thought sufficient compliance with the requirements of section 44 for the registrant to file an affidavit simply stating in conclusory form that the mark was in fact in use. As a result of the Federal Court of Appeal's decision in Plough (Canada) Ltd. v. Aerosol Fillers

Registrar's notice has gone astray. Since the giving of notice implies an actual receipt by the intended recipient (Holwell Securities Ltd. v. Hughes, [1974] 1 All E.R. 161 (C.A.); Sun Alliance and London Assurance Co., [1975] 1 All E.R. 248 at 253 (C.A.)), the Court has had little difficulty in setting aside the Registrar's decision to expunge in such a case: Tooke Bros. Ltd. v. Reg. T.M. (1964), 25 Fox Pat. C. 176, 45 C.P.R. 162 (Ex.Ct.). It is doubtful whether the Court, should under such circumstances take the further step of adjudicating on the substantive issue, since a failure to give notice means that no date has been fixed as at which use or non-use can be judged.

77 Id. at ___.

The lowpoint of this practice was surely reached in the Registrar's decision in Re Bristol-Myers Co. (1974), 29 C.P.R. (2d) 97, accepting as sufficient the conclusory affidavit of a secretary in the employ of a registered user.
such an affidavit will plainly no longer be acceptable as evidence of use. As the Court pointed out, "it is not the filing of the affidavit but what it shows that matters."

The affidavit should detail the facts surrounding the use or non-use of the mark in respect of each of the wares or services covered by the registration, so that the Registrar may form a conclusion whether such facts constitute "use" of the mark in terms of sections 2 and 4 of the Act or whether the non-use is excusable.

The question how elaborate an affidavit must be obviously involves a nice matter of judgment. It was perhaps inevitable that, for a period after the Court of Appeal's decision in *Plough*, somewhat lengthier affidavits and argument before the Registrar in section 44 proceedings ensued, resulting in the matter almost taking on the hue of a full-scale court proceeding for expungement on grounds of abandonment. The Trial Division seems however to have corrected this swing of the "jurisprudential pendulum." In *Union Electric Supply Co. v. Reg. T.M.* Mahoney J. criticized the Registrar's insistence on obtaining elaborate factual evidence: "There is absolutely no justification in putting a trade mark owner to the expense and trouble of showing his use of the trade mark by evidentiary overkill when it can be readily proved in a simple, straightforward, fashion. Use must be shown, not examples of all uses." He found acceptable an affidavit from a senior employee of the registrant, which detailed the way in which the mark was used in practice and included a sample of its use. Mahoney J. did, however, indicate that in some cases a more detailed affidavit may be required: so long, however, as sufficient reliable facts are shown to permit the Registrar, making all proper inferences, to find use, he is not entitled to demand further and better evidence. Where, however, the affidavit shows relatively isolated uses, it should also show facts that would justify the inference that the uses were not token uses but were in the normal course of trade.

**B. Must the Deponent be the Registrant and no other person?**

Cattanach J. is not the only judge who considers that the affidavit must be "sworn by the registered owner and no other person." To similar effect, Dubé J. in *Harris Knitting Mills Ltd. v. Reg. T.M.*, while allowing that multiple affidavits may be made by the registrant, considered that "the registered owner may not file affidavits from other persons at that stage," that is before the Registrar. Subsection 44(1) simply states, however, that the registered owner is required to furnish an affidavit or statutory declaration — it does not specifically require that the affidavit be made by him.

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80 *Plough*, supra note 64, at 687 (F.C.), 45 (N.R.), 68 (C.P.R.).
81 *Gadban*, supra note 57, at 633-34.
83 Supra note 73, at 57.
84 Id. at 59-60.
85 *Keepsake Inc., supra* note 76, at
86 Id.
Walsh J. made this point when holding that an affidavit made by the president of an assignee corporation, rather than the registrant at the date of the section 44 notice, was validly furnished under subsection 44(1): the subsection “merely requires the registered owner ‘to furnish’ an affidavit or statutory declaration but does not state that it has to be made by him.” Where there has been a recent assignment, where use has been by registered users, or where a certification mark is involved (and the mark owner is therefore not permitted to use the mark himself), the registrant may only be in a position to give hearsay evidence of use or special circumstances excusing non-use. Since the Registrar refuses to accept hearsay evidence as a rule, to require the registrant to furnish such evidence is in effect to require him to submit to expungement. The question is really whether the hearsay rule should be relaxed in such cases or whether affidavits should be permitted from the persons other than the registrant who are best able to depose as to use or special circumstances excusing non-use. The Registrar seems to have been willing to relax his insistence on non-hearsay evidence in cases where the mark has recently been assigned but, on principle, proceedings under section 44 should be conducted with due regard to the hearsay rule. After all, no one other than the registrant is allowed to furnish evidence and cross-examination by either the Registrar or the requesting party is not permitted. It is precisely in cases such as this, where the evidence cannot be tested but must be accepted or rejected at face value, that a due insistence on the observance of rules of evidence designed to ensure reliability and veracity, as is the case with the rule against hearsay, is needed. Read naturally, the language of subsection 44(1) therefore supports Walsh J.’s conclusion in preference to that of Cattanach J. and Dubé J., a conclusion which has the added advantage of avoiding inconvenient and perhaps absurd results.

C. May more than one Affidavit be filed before the Registrar?

Normally, when words in the singular are used in legislation they include words in the plural. Thus, when the words “an affidavit or statutory declaration” are used in subsection 44(1), they should include more than one affidavit or declaration “unless a contrary intention appears.” The authorities on this

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88 Kightley, supra note 69, at 44-45.
92 See text accompanying note 133 et seq., infra.
94 See text accompanying note 88, supra.
95 See text accompanying note 85, supra.
96 See text accompanying note 87, supra.
97 Interpretation Act, R.S.C. 1970, c. I-23, s. 26(7).
98 Id. at s. 3(1).
point are, however, not consistent. The Registrar himself has occasionally asked the registrant to supply a supplementary affidavit when the initial affidavit filed has not been considered by him to be sufficient, a practice which has been judicially approved. No doubt, such an affidavit may be considered merely as a substitute or adjunct to the first; if Cattanach J. is right, however, the Registrar’s practice on this point may, strictly speaking, be considered suspect, even though convenient.

So far as court decisions on the point are concerned, Walsh J. in *Parker-Knoll Ltd. v. Reg. T.M.* suggested, albeit with some doubt, that where the registrant is a corporation, more than one affidavit may be filed by officers on behalf of the corporation. This view was followed by Dubé J. who said that the Registrar may allow more than one affidavit to be filed from the registrant, in that case also a corporation.

Interestingly enough, Walsh J. may have recently modified his tentative views expressed in *Parker-Knoll*. In *Kightley v. Reg. T.M.* where an affidavit had been filed before the Registrar and a further affidavit filed before the Court on appeal, Walsh J. considered both as pieces of evidence without in any way discriminating between proceedings before the Registrar and those before the Court: “[W]hether one or more affidavits is required depends upon the circumstances.”

The arguments either way are finely balanced. The question is really whether a contrary intention appears precluding “an affidavit or statutory declaration” to be read in the plural. If one reads subsection 44(1) together with subsection 44(2), which prohibits the Registrar from receiving “any evidence other than such affidavit or statutory declaration,” in the context of the Act as a whole, it is difficult at first sight to resist the view that the Legislature really intended only one affidavit to be filed before the Registrar. The restricted language of subsections 44(1) and (2) can be contrasted with other occasions upon which the Registrar is entitled to receive evidence without limitation. Thus, to prove distinctiveness of an otherwise unregistrable mark, an applicant “shall furnish the Registrar with evidence by way of affidavit or statutory declaration . . . and with any other evidence that the Registrar may require in support of such claim;” where registration is based on a foreign registration, a certified copy of the registration must be furnished “and such other evidence as the Registrar may require fully to establish his right to registration under this Act;” in opposition proceedings, both ap-

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100 *Harris Knitting Mills Ltd., supra note 88, at 164; The Molson Co’s., supra note 62, at 162 (6 affidavits filed by registrant without adverse comment by Court).*

101 *Keepsake Inc., supra note 76.*

102 *Supra* note 73, at 153n.

103 *Harris Knitting Mills, supra* note 88, at 164.

104 *Supra* note 69.

105 *Id.* at 45.

106 Subsection 31(1).

107 Subsection 30(1). A similar provision exists where the Canadian application is based on a foreign filing: s. 33(c).
plicant and opponent must be given an opportunity “to submit the evidence upon which they rely;”¹⁰⁸ on an application to register the transfer of a mark, the Registrar shall register “[u]pon being furnished with evidence satisfactory to him of the transfer;”¹⁰⁹ upon an application to register a licensed user, the applicants shall, in addition to certain specified matters, furnish the Registrar with “such further documents, information or evidence as may be required by the Registrar;”¹¹⁰ on appeals from the Registrar or on motions to rectify the register before the Federal Court, the proceedings are determined summarily “on evidence adduced by affidavit unless the court directs otherwise,” in which case, “oral evidence” may be introduced generally or in respect of one or more issues specified by order of the Court.¹¹¹ In none of these cases is there any limit on the quantity of the evidence to be adduced; the only limits concern its nature, namely, whether it is written or oral. When these provisions are compared with subsection 39(2), which provides for “a declaration” that the applicant has commenced use before registration of a mark allowed on the basis of proposed use can occur, and are paralleled with subsections 44(1) and (2) the contrast is striking.

As against this must be pitted the presumption that the legislature does not intend to create an absurdity,¹¹² a factor which may be relevant in considering whether a contrary intention appears. Some of the arguments on this point have already been noted in connection with the question whether the affidavit must be made only by the registrant.¹¹³ In the ordinary case where the registrant holds and uses an ordinary trade mark, no difficulty should arise in insisting on only one affidavit. But where the mark is used by registered users or is a certification mark which of necessity is not used by the mark owner, or where an assignment has recently taken place, proof of use or special circumstances excusing non-use may be more complicated. If a due insistence on the rule against hearsay be observed, as has been urged, then there seems no other option available than permitting more than one affidavit to be filed at this stage. The need to keep the proceedings summary and relatively uncomplicated should not be unduly prejudiced by such a course which is likely to arise only in a minority of cases. In short, the spectre of section 44 being transformed into full-scale expungement proceedings does not loom large.

There is one additional point of a similar functional nature here. It is accepted all round that additional evidence may be filed by the registrant on appeal to the Trial Division, although the permissible quantity of that evidence is uncertain.¹¹⁴ If this is so, an artificial limit on the quantity of evidence which a registrant may furnish before the Registrar will mean that in some cases only the Trial Division will be in a position to adjudicate the issues properly. This is to shift the forum where the initial decision can be made from the Registrar to

¹⁰⁸ Subsection 37(7).
¹⁰⁹ Subsection 47(3).
¹¹⁰ Subsection 49(5)(e).
¹¹¹ Subsection 59(3).
¹¹³ Text accompanying notes 86 et seq., supra.
¹¹⁴ See text accompanying notes 128 et seq., infra.
the Trial Division, a result which could not have been contemplated by the Legislature. The Registrar is as capable of assessing the evidence revealed in multiple affidavits as is the Trial Division, a task which the Registrar regularly performs in opposition proceedings. If a choice is to be made between eliminating the Registrar as the initial decision-making forum in certain cases and limiting the range of evidence available to him, then the structure of section 44 would suggest the first option is preferable. In such an instance, it may be open to ask whether the Legislature would, if asked, have made an amendment to the Act making it clear that one affidavit alone could be furnished before the Registrar.\textsuperscript{115} It is submitted that the Legislature would not have made such an amendment, thereby preserving the ordinary rule that singular words include the plural. What is clear is that the suggestion made by Walsh J. and Dubé J. above,\textsuperscript{116} that more than one affidavit may be made where the registrant is a corporation, but in no other case, is unwarranted. There seems no reason to prefer corporations\textsuperscript{117} over individual traders in such cases. The concept of "one-ness" does not admit of flexibility. Once it is admitted that more than one affidavit may be filed, it must logically be accepted that this position pertains whether the registrant is a real or artificial person.

D. Do the same rules apply on appeal to the Trial Division?

Subsection 44(5) indicates that the Registrar’s decision to expunge is subject to appeal. Section 56 of the Act\textsuperscript{118} provides that appeals from any decision of the Registrar go to the Trial Division of the Federal Court. By subsection 56(5), "[o]n the appeal evidence in addition to that adduced before the Registrar may be adduced and the Court may exercise any discretion vested in the Registrar." The question arises whether the registrant or requesting party may adduce such further evidence as he wishes, without limitation, on appeal to the Court. This requires some consideration of the nature of an appeal under section 56.

In \textit{Standard Oil Co. v. Reg. T.M.}\textsuperscript{119} Jackett P. held, in an appeal by an applicant for registration against an adverse decision of the Registrar on the registrability of the mark, that an appeal under section 56 is to some extent a "new trial". If no further evidence is adduced on appeal, where the question involves a practical question of fact the Court’s function is to determine whether the Registrar’s decision was right or wrong, giving due weight to that decision as one by an experienced official whose daily task is to adjudicate such matters.\textsuperscript{120} Subsection 56(5) however permits new evidence to be adduced without leave of the Court;\textsuperscript{121} whether the evidence was available at the earlier


\textsuperscript{116}Text accompanying note 103, \textit{supra}.

\textsuperscript{117}Are partnerships also included?

\textsuperscript{118}As am. by the \textit{Federal Court Act}, R.S.C. 1970 (2nd Supp.), c. 10, s. 64 (2).

\textsuperscript{119}[1968] 2 Ex.C.R. 523 at 527-28, 38 Fox Pat. C. 127 at 132-33, 55 C.P.R. 49 at 54-55.


\textsuperscript{121}Home Juice Co. v. Orange Maison Ltée., [1968] 1 Ex. C.R. 163, 36 Fox Pat. C. 111, 52 C.P.R. 175.
hearing is irrelevant.\textsuperscript{122} Where, therefore, fresh evidence is adduced on the appeal, the Court's task is to consider both that evidence and the evidence before the Registrar. Insofar as that evidence adds nothing to what was before the Registrar, the question may still be whether the Registrar was right or wrong in fact and in law.\textsuperscript{123} Insofar as the evidence does change the picture which existed before the Registrar, the Registrar's view is obviously of less importance being based upon different evidence and the Court may more freely substitute its decision for that of the Registrar.\textsuperscript{124}

The difficulty with section 56 is that it is a general provision applying to appeals from all decisions\textsuperscript{125} of the Registrar, without purporting to recognize that the nature of an appeal may very well differ depending upon the nature of the decision appealed from. Section 56 is obviously applicable to appeals from decisions under section 44, but the real question is whether the jurisprudence developed in relation to appeals from decisions as to registrability or in opposition proceedings should be applied entirely to section 44 appeals. Some of that law must clearly apply. If, for example, the registrant has overlooked the necessity for filing evidence timeously with the result that the Registrar has quite correctly expunged the registration, the Court on appeal is faced with the choice of either affirming the Registrar's decision with the result that a mark which is in fact being used will be expunged, or of accepting the evidence which ought to have been filed before the Registrar and reaching its own determination as to use. The Court has adopted the latter course because of the drastic consequences of following the former and because, after all, subsection 56(5) does not in terms limit the nature of the further evidence which may be filed.\textsuperscript{126} To this extent, the Court's role on the appeal is similar to that on appeals from decisions in opposition or on registrability, namely, to consider all the evidence in determining whether the case under section 44 has been made out. Once the court had taken that step, of course, it became very difficult to prevent an unsuccessful registrant, who had filed inadequate evidence before the Registrar, from having a second opportunity and bolstering his case on appeal with further evidence. The Court was prepared to take this further step. At the same time it sought to ensure that the appeal hearing before it was no different in kind from that which the Registrar was entitled to undertake. Thus, in \textit{Broderick & Bascom Rope Co. v. Reg. T.M.}\textsuperscript{127} Jackett P. held that the requesting party was not entitled to file evidence or to cross-examine on the registrant's affidavits. An appeal in section 44 proceedings should be limited to the issues which were before the Registrar, namely, whether the evidence adduced by the registered owner made it appear that the mark was in use or whether special circumstances excused non-use. To permit the requesting party to file evidence when this was not permitted before the Registrar would be to

\begin{thebibliography}{99}
\bibitem{122} Id.; \textit{Standard Oil case}, \textit{supra} note 119.
\bibitem{123} \textit{Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.} (1982), 60 C.P.R. (2d) 70 at 71 (Fed. C.A.).
\bibitem{125} \textit{Broderick's case}, \textit{supra} note 51, at 274.
\bibitem{126} See note 75, \textit{supra}.
\bibitem{127} \textit{Supra} note 51.
\end{thebibliography}
change the character of the appeal into a motion to expunge the mark on the grounds of abandonment.

It therefore follows that, if more than one affidavit may be filed by the registrant before the Registrar, and if that affidavit may be by someone other than the registrant, as submitted in the previous sections, then the same position should pertain before the Federal Court. Cattanach J. in the *Keepsake* case\textsuperscript{128} seems to support this position insofar as he considers that the same position should prevail both before the Registrar and the Trial Division although, as has been seen, he takes a more restrictive view of what material may be placed before the Registrar. Similarly, Walsh J.\textsuperscript{129} and Dubé J.\textsuperscript{130} have had no difficulty in accepting that the evidence before the Trial Division may be multiple affidavits made either by the registrant himself or by anyone else whom the registrant chooses to put forward. The matter is plainly one within the discretion of the Federal Court, paying due regard to the nature of section 44 proceedings.\textsuperscript{131} If such a course can be considered convenient before the Registrar, the position before the Court must be *a fortiori*. If the Registrar has held the mark liable to be expunged, the registrant should not be foreclosed from demonstrating through as much evidence as he chooses to adduce why it should not. If the Registrar's decision has been against expungement, again the fact that this view is being challenged by the requesting party should entitle the registrant to bolster his case as much as he can to prevent the appeal being successful and to prevent the valuable property right represented by his registration being taken away.

One might go further. Even if it is the position before the Registrar that only one affidavit may be filed, subsection 56(5) does not in terms limit the number of affidavits which may be filed before the Court on appeal. The same reasons as have been suggested above for permitting the filing of multiple affidavits before the Registrar are all the more cogent when the matter is finally being appealed. Insofar as the Court has any discretion, it should be exercised in such a way that the registrant may fairly make his case against expungement. If the choice lies between allowing the filing of multiple affidavits and reaching a wrong decision, it is submitted that only one course should be taken by the Court.

In light of this ability to file further evidence on appeal, a registrant-appellant who therefore gambles on the sufficiency of his evidence before the Registrar and chooses not to bolster his case before the Court is unlikely to persuade the latter to give him another opportunity to file further evidence before the Registrar in the event that the Court agrees with the Registrar's holding of non-use. Having rolled his dice, he cannot complain that they have turned up against him.\textsuperscript{132}

\begin{footnotesize}
\textsuperscript{128} Supra note 76.

\textsuperscript{129} Kightley, supra note 69, at 45.

\textsuperscript{130} Harris Knitting Mills, supra note 87, at 164.

\textsuperscript{131} Presumably such a decision falls within that class of matters described as the practice or procedure of the Federal Court, which the Supreme Court of Canada is unwilling to review: *Smith v. Min. of Nat. Rev.*, [1965] S.C.R. 582 at 585, 52 D.L.R. (2d) 93 at 95, [1952] C.T.C. 257 at 260.

\textsuperscript{132} Plough's case, supra note 64, at 689 (F.C.), 47 (N.R.), 70 (C.P.R.); Johnson's case, supra note 79, at 38-39.
\end{footnotesize}
E. Is the requesting party precluded from filing evidence or cross-examining on the registrant's affidavit(s)?

This is at least one matter upon which the authorities seem relatively consistent. Thurlow C.J. for the Federal Court of Appeal has said quite bluntly: “In my view, evidence submitted by the party at whose instance the s.s. 44(1) notice was sent is not receivable on the appeal from the Registrar any more than it would have been receivable before the Registrar.”\footnote{133} There had been prior deviations from this view before the Federal Court. Thus, in one case affidavits were received from the requesting party and relied on apparently without objection before the Trial Division.\footnote{134} In another, Noël A.C.J. granted the requesting party an extension of time to file affidavits designed to show that the registrant’s affidavit claiming use was in fact false. The Judge said:

If such a course of action is not adopted, there is a possibility that there may be no other means of correcting a situation which, in the event the facts disclosed in the affidavit are found to be false, would allow a wrong decision or one based on false or incorrect evidence to remain uncorrected and to refuse a right of appeal under such circumstances may result in a denial of justice.\footnote{135}

It is plain that this decision cannot stand in light of the subsequent holding of the Federal Court of Appeal noted above. Yet the problem remains: what if the registrant does file a false affidavit? Is there no way of challenging it? It seems not. The Federal Court has consistently refused the requesting party leave to cross-examine on the registrant’s evidence,\footnote{136} thereby making it clear that cross-examination before the Registrar would equally be improper. The requesting party is limited to pointing out deficiencies in the registrant’s evidence. Thus, the crafty deponent who hides his non-use behind skilfully drafted affidavits is more likely to be found out than the outright rogue who is prepared to swear falsely. And, in a perverted way, proceedings for expungement on grounds of abandonment might well fail in such a case: does not the rogue who is prepared to swear falsely demonstrate in the most vivid way his intent not to abandon the mark? The courts’ insistence on the absence of any right to cross-examine or to file evidence on the part of the requesting party is based on the fear that the proceedings will become something more than the summary proceedings they are intended to be. This is true to some extent, although the fear may be exaggerated. There seems no reason in policy why cross-examination should not be permitted upon the requesting party following the sort of procedure Noël J. was prepared to accept in the context of filing evidence in reply, namely, producing evidence tending to indicate that the registrant has sworn falsely. The issue is a relatively confined one likely to be raised only in a tiny minority of cases; the spectre of drawn-out proceedings thus seems rather far-fetched. As it is, however, the door to this procedure seems to have been firmly closed by the weight of decisions.

\footnote{133} Plough’s case, supra note 64, at 688 (F.C.), 46 (N.R.), 69 (C.P.R.).
\footnote{134} The Molson Co’s., supra note 62, at 173-75, 182.
\footnote{135} Benson & Hedges (Can.) Ltd. v. Kiewel-Pelissier Breweries Ltd. (No. 1), supra note 63, at 215.
\footnote{136} Broderick & Bascom Rope Co., supra note 51; foll’d in Estée Lauder Cosmetics Ltd., supra note 51, at 5.
VI. WHAT DOES “IN USE” MEAN?

The evidence must show that the mark is “in use” in Canada. “In use” suggests something more than merely past or isolated use; it implies some continuity and regularity in the use.

The concept of “use” that is referred to in section 44 is not merely “use” in the ordinary sense of that word. “Use” is defined in section 2 of the Act as meaning “any use which by section 4 is deemed to be a use in association with wares or services.” From the facts and exhibits contained in the affidavit, the tribunal must therefore be able to draw the inference that the mark is being used in such a way that the requirements of section 4 are fully satisfied.\(^\text{137}\) That section reads:

(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 such wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or if 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 such services.

(3) A trade mark that is marked in Canada on wares or on the packages in which they are contained is, when such wares are exported from Canada, deemed to be used in Canada in association with such wares.

Subsection 4(3) is self-explanatory. The principal problems which have arisen have revolved around the concept of use in subsection 4(1) in respect of marks applied to wares. We shall examine these first in some detail, and then look briefly at subsection 4(2) as it applies to service marks.

A. Date at which use must be shown.

It is settled that the relevant date at which the mark must be shown to be in use is the date of the Registrar’s notice; uses occurring after that date are irrelevant.\(^\text{138}\) Such a view may sometimes entail hardship, especially when a section 44 notice intervenes between an order for the marked goods and their delivery. Where this occurred in *John Labatt Ltd. v. Rainier Brewing Co.*,\(^\text{139}\) following a lull of some twenty months after the last sale of the marked goods, the Trial Division nevertheless held the mark to be “in use”. The Court commented that “One must consider the whole of the evidence to determine whether or not there has been *de facto* abandonment of the trade mark or if the registrant does not seriously intend to pursue the *use* vigorously.”\(^\text{140}\) This does not seem quite right; non-abandonment and an intent to use, if relevant


\(^{138}\) *Parker-Knoll*, supra note 73, at 152-53; *Aerosol Fillers Inc. v. Plough (Can.) Ltd.* (1979), 45 C.P.R. (2d) 194 at 198 (F.C.T.D.), aff’d without reference to this point, *supra* note 64; *Harris Knitting Mills*, supra note 87, at 161n.2; *Kightley*, supra note 69, at 44; *Keepsake case*, *supra* note 76, at 139.

\(^{139}\) (1982), 68 C.P.R. (2d) 266 (F.C.T.D.).

\(^{140}\) *Id.* at 270. This language tracks that appearing in the 1938 U.K. Act, 1 & 2 Geo. 6, c. 22, s. 26(1)(b) (*supra* note 42): it does not appear in the Canadian Act.
at all, should be treated as no more than factors in determining whether a use occurring some time prior to a section 44 notice may still, given the sporadic nature of a particular trade, be considered as continuing up to the date of the notice;\(^{141}\) they should not, however, be employed to change the character of a use occurring \textit{after} a section 44 notice into one somehow deemed to have occurred \textit{before} that notice. Any consequential residual hardship may be alleviated by a finding of special circumstances excusing non-use.\(^{142}\)

\section*{B. Genuine Commercial Use.}

The use must be "in the normal course of trade" as contrasted with a "token" use, namely one manufactured for the sole purpose of attempting to lay claim to or preserve the mark.\(^{143}\) Clearly, one sale in Canada may amount to such a use and even demonstrate that the mark is "in use". But dealing on such a modest scale must be strictly proved and will be carefully scrutinized: according to one judge, "[T]here must be a normal commercial transaction in which the owner of the trade mark completes a contract in which a customer orders from the owner [of] the trade mark wares bearing the trade mark which wares are delivered by the owner of the trade mark pursuant to such contract to such customer."\(^{144}\) A trade mark owner who requests a provincial liquor board to acquire his marked liquor so that he may repurchase it\(^{145}\) or so that it may be held to his account\(^{146}\) will not have used the mark in the "normal course of trade"; the use may be called a "token" or "colourable" use, manufactured for the purpose of attempting to satisfy the criteria of section 4. Thus, in the \textit{Keepsake} case, where two sales of jewellery were relied on to show that the mark was in use, Cattanach J. considered that something more than the fact of such sales was required to indicate that the sales were in the normal course of trade: "[A] simple allegation of facts could and should have been made from which it could be inferred that the two sales in question had been made in the normal course of trade as for example in response to an order placed by telephone or in writing by the purchasers citing the catalogue identification of the merchandise ordered."\(^{147}\) The Judge was satisfied that the sales were transacted in the normal course by a further affidavit filed before him which showed extensive use of the mark in the United States and which showed "an active and continuing interest in the trade mark."\(^{148}\) So an isolated order for specified fabricated equipment placed in the United States by an American buyer to an American manufacturer, for shipment, assembly and use by the buyer or to his order in Alberta, may not qualify as a transfer in

\(^{141}\) \textit{Cf.} Parker-Knoll case, \textit{supra} note 73, at 159.

\(^{142}\) No such circumstances were found present in \textit{Rainier Brewing Co.}, \textit{supra} note 139 at 270.

\(^{143}\) See, \textit{e.g.}, \textit{The Noshery Ltd. v. The Penthouse Motor Inn Ltd.} (1969), 61 C.P.R. 207 at 213 (Ont.H.C.).

\(^{144}\) \textit{The Molson Co.'s.}, \textit{supra} note 62, at 177 (per Gibson J.).

\(^{145}\) \textit{Id.} at 180.


\(^{147}\) \textit{Supra} note 76, at______.

\(^{148}\) How this latter point demonstrates that sales in Canada were in the normal course of trade is unclear.
Canada in the normal course of trade, where further dealings in Canada with the equipment are not contemplated. 149

This raises the question how one is to judge what is in the "normal" course of trade. Is it sufficient that goods bearing the mark have been sold in what appears a normal commercial transaction, or should further inquiry be made to see whether the sale was normal in terms of how the mark owner generally conducts his business? The second inquiry does not generally seem to have been undertaken, but it may be at least as, if not more important than, the first. Jerome A.C.J. may have had this point in mind when he criticized a registrant's affidavit for failing to adduce facts from which the Registrar could determine whether the mark had been used in the normal course of trade. 150 The Judge considered that the Registrar should be provided with evidence as to the nature of the registrant's business and its ordinary practices before he could be expected to make such a decision. Although this view has not gained much support in the more recent decisions of the Trial Division, there is something to be said for it. A token use can occur even on what appears to be an arms-length transaction. Once it is accepted that the user's purpose in adopting and employing a mark is relevant in order to determine whether the mark truly qualifies as a trade mark, 151 then arguably purpose is equally relevant in determining whether the use of the mark is in the normal course of trade. For example, if the mark owner does not really intend to trade in the goods at all in the sense of acquiring goodwill and profits from the marked goods, but merely intends to block another trader from acquiring rights in a mark, and his only use of the mark is a limited distribution unaccompanied by the normal promotional support he gives his other products, it may well be questioned whether his use of the mark can really be called normal. To hold that it can be so called might be thought to permit literal compliance with the Act's requirements of "use" to prevail over the spirit and intent of the trade marks legislation as a whole. This theory will equally cut the other way to include genuine but sporadic uses as sufficient to keep the mark in use, where the trade is necessarily of an intermittent nature. 152 It is therefore suggested that a proper affidavit of use under section 44 should at least present facts from which the inference may legitimately be drawn that the use is a genuine business use in this latter sense. 153


150 S.C. Johnson & Son Inc., supra note 79, at 37. In Institut National des Appellations d'Origine des Vins et Eaux-de-Vie v. Reg. T.M. (1983),_C.P.R. (2d) ____(F.C.T.D.) Rouleau J. found the evidence insufficient to convince him that the registrant's sales of wine through its winery, rather than through liquor board outlets, was outside the "normal course of trade." He rejected an argument that he should find what was the normal course of trade for the wine-selling industry, commenting that this would "create an onerous burden on the Courts." This seems correct: industry standards should be relevant only to indicate that the registrant's use is not a genuine commercial use, not to dictate a method of trade contrary to a registrant's honest business judgment.


152 See, e.g., Rainier Brewing Co., supra note 139.

153 Possibly the U.S. advertising and sales referred to in the Keepsake case, supra note 148, were relevant to this issue.
The word “trade” is also important. A trade mark is defined in section 2 as a mark used to distinguish wares or services “manufactured, sold, leased, hired or performed” by one person from those of another. The word trade in section 4 is thus the antithesis of “gift” and contemplates some payment or exchange (for example, barter) for wares or services supplied. Free distribution of promotional material or advertising gimmicks displaying the mark may be normal commercial use but may not be trade use. Similarly, test marketing of a product or the mere sending of samples, whether free or not, may not amount to a normal trade use. But use of a mark only once a week by a business which operates in that way is permissible; there is no requirement that a mark be used daily.

C. Marking or Otherwise Giving Notice of the Mark.

To constitute use, the mark must be “marked on the wares themselves or on the packages in which they are distributed” or must be “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 mark should be so placed that it would come to the notice of the reasonable recipient: “to place a word or device mark on some small part of an elaborate piece of equipment where it would not be seen in the course of ordinary use may well not amount to a use of the mark at all, as in the case of a mark too small to be seen.” Specimens or photographs of the mark as used, together with material showing how and when it was used, should therefore normally be included in the affidavit.

Whatever marking or notice occurs must be apparent “at the time of the transfer of the property in or possession of such wares.” The courts have interpreted this requirement quite broadly. Thus, the mark has been held to be used in Canada where goods were sold for delivery to a Canadian destination f.o.b. a United States port. The court considered that the transfer of physical possession of the goods in Canada satisfied section 4; the fact that property and possession in terms of provincial Sale of Goods legislation may have passed in the United States was thought immaterial.

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158 The Noshery Ltd. v. The Penthouse Motor Inn Ltd., supra note 143.

159 Boliden Aktiebolag v. Osmose Wood Preserving Co. of Can. (1974), 14 C.P.R. (2d) 222 at 228 (F.C.T.D.) (stencilling or engraving on drums of chemicals held ‘use’).


who used the mark, rather whose mark is being used.\textsuperscript{162} Thus, subsequent resales of the wares in Canada qualify as use of the mark to the mark owner's benefit, whether or not such sales are made by the mark owner.\textsuperscript{163}

However, some uses which the commercial world might recognize as valid trade mark use may not qualify under subsection 4(1) by virtue of the "property or possession" limitation. In \textit{Phil Borden Ltd. v. Uarco Inc.} Jackett C.J. said:

As of yet, I have not been able to conceive why utilization of trade marks on wares prior to sale or delivery would not, in some cases, be an appropriate use (e.g., at trade fairs, on display counters, etc.), nor why use of the trade mark on wares would not be appropriate unless it was affixed at the time of sale or delivery (e.g., sales in bulk under arrangements for the trade mark to be attached by the purchaser after sale).\textsuperscript{164}

However appropriate the uses mentioned by Jackett C.J. may be in commercial terms, it seems difficult to include them within the definition of use in section 4. Thus, merely advertising the mark,\textsuperscript{165} mentioning it in promotional literature,\textsuperscript{166} or placing it in the lobby of one's business premises\textsuperscript{167} are not uses within subsection 4(1), unless the mark is also attached to the wares themselves\textsuperscript{168} or is in some way physically associated with them. Invoices using the mark and accompanying the wares may, however, qualify.\textsuperscript{169} The relevant use must of course occur in Canada.\textsuperscript{170}

\textbf{D. Use must be as a Trade Mark.}

The use referred to in section 4 must be use of the trade mark.\textsuperscript{171} This involves a number of considerations:

1. Who is using the mark?

The right person must use the mark. In the case of a certification mark, this means the licensees of the mark owner, since the definition of such a mark


\textsuperscript{164} (1975), 24 C.P.R. (2d) 140 at 143 n. 2.

\textsuperscript{165} \textit{La Maur Inc. v. Prodon Industries Ltd.} (1971), 2 C.P.R. (2d) 114 at 116 (S.C.C.); \textit{Saxon Industries Inc., supra} note 21, at 96.

\textsuperscript{166} \textit{Clairol International Corp., supra} note 7, at 564-65 (Ex.C.R.), 190-91 (Fox Pat.); \textit{J.H. Munro Ltd. v. Neaman Fur Co.}, [1947] Ex.C.R. 1 at 7.


\textsuperscript{168} \textit{Clairol case, supra} note 7, at 564 (Ex.C.R.), 190 (Fox Pat.). Tags attached to the wares also qualify: \textit{Union Electric Supply Co. v. Reg. T.M. (No. 2)} (1982), 63 C.P.R. (2d) 56 at 59 (F.C.T.D.).

\textsuperscript{169} \textit{Boliden's case, supra} note 159; \textit{Gordon A. MacEachern Ltd. v. National Rubber Co.}, [1964] Ex.C.R. 135 at 143.

\textsuperscript{170} \textit{Supra} note 161, at 17.

\textsuperscript{171} As "trade mark" is defined in s. 2.
provides that the mark owner cannot himself be in the business for which the mark is registered.\(^\text{172}\) But for ordinary marks the only relevant use is that of the registered owner, his predecessor, or a licensee registered under section 49. Use by an unregistered licensee does not count as the owner’s use, even where the licensee is the wholly-owned company or subsidiary of the registrant.\(^\text{173}\) The more relaxed view, albeit under differently worded legislation, prevailing in the United Kingdom,\(^\text{174}\) the United States,\(^\text{175}\) Australia\(^\text{176}\) and South Africa,\(^\text{177}\) that non-deceptive use by an unregistered licensee is a use in the course of trade by the registered owner so long as adequate control is exercised over the way in which the mark is used, has hitherto not been accepted in Canada.\(^\text{178}\)

In *Kightley v. Reg. T.M.*\(^\text{179}\) it was held that use of the mark by an unregistered assignee should qualify as use for the purposes of section 44. Walsh J. noted the prevailing view that the assignment of a registered mark is effective without the need to record the transfer on the register. Of course, use by an unregistered assignee may result in the mark becoming non-distinctive and liable to expungement upon a motion to rectify the register,\(^\text{180}\) but an inquiry of this character cannot be carried out under section 44.

2. Mark must be intended or recognized as a trade mark

The registrant must *intend* to use the word as a trade mark or, whatever his intention may be, the public must *recognize* that the word is being used to indicate trade source.\(^\text{181}\) Where the word or device in question is primarily a business or corporate name, it is a question of fact whether the manner in which the trader uses his name is something more than mere use as a trade name but also qualifies as use of the word as a trade mark. Where services rather than wares are involved, the onus may be somewhat more easily satisfied. Two cases may be usefully contrasted. In *Cartem Inc. v. Souhaitis Renaisseances Inc.*\(^\text{182}\) a manufacturer of cardboard boxes used its corporate name Cartem Inc. on its stationery, business premises and delivery trucks. However, it never referred to its goods in its invoices or advertising as

\(^\text{172}\) *Mister Transmission (International) Ltd., supra* note 89.
\(^\text{175}\) *Lanham Act, 1946, ch. 540, 60 Stat. 427 s. 5, makes use of a mark by a “related company” inure to the benefit of the registrant, provided that the mark is not used in such a manner as to deceive the public. “Related company” is defined in s. 45 as meaning “any person who legitimately controls or is controlled by the registrant . . . in respect to the nature and quality of the goods or services in connection with which the mark is used.”*
\(^\text{176}\) *Pioneer Electronic case, supra* note 160.
\(^\text{177}\) The position in South Africa may now be different; see *Adcock-Ingram Laboratories v. S.A. Druggists Ltd.,* [1983] 2 S.A.L.Rep. 350 at 354 (Transraal Prov. Div.).
\(^\text{178}\) *Barrigar, op. cit., supra* note 12.
\(^\text{179}\) *Supra* note 69, at 45-46.
\(^\text{180}\) *Motel 6 case, supra* note 12.
\(^\text{181}\) *British Petroleum Co. v. Bombardier Ltd. (1971), 4 C.P.R. (2d) 204 at 215 (F.C.T.D.); aff’d (1973), 10 C.P.R. (2d) 21 (Fed. C.A.).*
\(^\text{182}\) (1982), 60 C.P.R. (2d) 1 at 3 (F.C.T.D.).
“Cartem” goods. Addy J. held the word “Cartem” had been used not as a trade mark but as a trade name. Cartem neither intended to use its corporate name as a trade mark, nor did those with whom it dealt recognize its use as anything other than the use by the company of its name. On the other hand, in *Playboy Enterprises Inc. v. Germain* the use of PLAYBOY MEN’S HAIR STYLIST over a shopfront and in the yellow pages of a telephone directory was held to be use not merely as a trade mark but also as a trade mark in respect of the services of men’s hair styling. Marceau J. admitted that “in practise [sic] the distinction between a trade name and trade mark when used in association with services may be very difficult to draw”, but nevertheless accepted that the user’s intention was to advertise his services through use of the phrase.

Similarly, where the words are descriptive, the user must use them in such a way that the public recognizes the use as that of a trade mark and not a mere descriptive term. Thus, in the SHREDDED WHEAT case, one of the reasons why the plaintiff’s registration was held invalid was its failure to make clear on the cereal packaging that the words were not being used merely to refer to the product rather than the manufacturer. One method commonly employed to this end is to add the words, “Brand”, “TM”, “®” or “Registered” after the mark. Although the Act nowhere mandates such usages, they may well prove useful in marginal cases, so long as the usage is consistent and deliberate attempts are made to eschew using the same words in a descriptive sense.

3. Use must be so as to distinguish registrant’s wares from others’ wares

The use must be for the purpose of distinguishing that trader’s wares from those of others. A trader who marks another trader’s mark on his wares and makes it clear that the mark belongs to the second trader will not have used the mark as a trade mark. By acknowledging proprietorship of the mark in another, he has indicated that his use of the mark is not so as to distinguish his goods from those of other traders. Thus, trader A’s use of trader B’s mark

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183 To similar effect, see *J.H. Munro Ltd. v. Neaman Fur Co.*, supra note 166, at 6-7 (“CANADA'S GOLD MEDAL FURRIERS” not use of “GOLD MEDAL FURS” mark) and *Union Electric Supply Co. v. Reg.T.M. (No. 2)*, supra note 167, (merely inscribing a wares mark in the lobby of the building where the mark owner does business held not as a trade mark: no physical association with the goods was present). *Cf. Dubiner v. Cheerio Toys & Games Ltd.*, [1965] 1 Ex.C.R. 524 at 559 (aff’d, [1966] S.C.R. 206) (use of abbreviated form of company name “Cheerio” on boxes and invoices a trade mark use in terms of s. 47(2)).


185 Id. at 36-37 (F.C.T.D.), aff’d (1979), 43 C.P.R. (2d) 271 at 274 (Fed. C.A.).

186 *Can. Shredded Wheat Co. v. Kellogg Co. of Can.*, [1938] 2 D.L.R. 145 at 151-52, 55 R.P.C. 125 at 142 (P.C.); see too Dubiner’s case, supra note 183, at 549 (BEGINNERS for toys invalid, being “descriptively used for the purpose of indicating that the wares were easy of operation and for beginners as contrasted with one of better quality”).


on a comparison chart attached to A’s product was held not a trade mark use in terms of section 4; no attempt was thereby made to indicate that the origin of trader B’s goods was in any one other than trader B.\(^ {190} \)

### B. Use of substantially same mark

The use involved must be of the mark in question, not some other mark.\(^ {191} \) This requirement has been viewed quite broadly. The courts have recognized that a mark, especially a label or device mark, is often developed over time to improve its impact or to respond to changing fashions; artwork is modernized or improved, letterpress is rearranged, additions and omissions are made.\(^ {192} \) To demand precision and constancy in the use of marks in such circumstances is to defy commercial realities and to cry for the moon.

The same point is inferentially recognized in article 5C.2 of the 1934 London Revision of the International Convention for the Protection of Industrial Property which Canada ratified in 1951.\(^ {193} \) That article provides that use of a trade mark by a proprietor “in a form differing in elements which do not alter the distinctive character of the mark from the form in which it was registered in one of the countries of the Union shall not involve cancellation of the registration, and shall not prejudice the protection granted to such mark.” Although Canadian courts are not bound directly by this provision but only by the legislation purporting to implement it, they may be guided by it to the extent that it does not conflict with the Act, proceeding on the presumption that Canada intends to perform rather than deliberately break its treaty obligations.\(^ {194} \) The article in terms applies only to a limited situation, namely, local use of a mark based on a foreign registration, and is principally intended to allow modifications to suit local conditions (for example, to change German letterpress to English when a German mark seeks registration in an English-speaking jurisdiction), but its underlying principle is just as applicable to all registered marks. This may be seen from the fact that a similar test is employed in the Act in subsection 14(2) in judging for the purposes of registrability whether a Canadian application is fairly based on a foreign registration;\(^ {195} \) that

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\(^ {190} \) Clairrol case, supra note 7, at 566-68 (Ex.C.R.), 192-94 (Fox Pat.).

\(^ {191} \) Unlike the U.K. Trade Marks Act, 1938, 1 & 2 Geo. 6, c. 22 (s. 26(1) proviso, s. 30(1)), use of the mark in relation to wares of the same description as those contained in the registration or use of an associated mark (see Canadian Act s. 15) is not considered by s. 44 as use of the registered mark.

\(^ {192} \) See generally, Marks, “Dressing” a Trademark to Protect a Modern Image Requires Careful “Tailoring” (1976), 66 Trademark Reporter 12. In Ex parte The Hanna Paint Mfg. Co., 103 U.S.P.Q. 217 (Comm. Pat. 1954) the Commissioner of Patents accepted that a 1905 mark was still being used despite elimination of outmoded design features: “Registrant has merely modernized its label to make its appearance more in keeping with the times. Such modernization is not uncommon, particularly when almost half a century has elapsed since the registration issued, and where the picture is, by its nature, tied to a past era.”


\(^ {194} \) See McDonald, Using Treaties to Interpret Canadian Intellectual Property Statutes (1976), 7 P.T.I.C. Bull. 615 at 618.

\(^ {195} \) To this extent, s. 14(2) is designed to implement art. 6B.2 of the London Revision.
the Registrar uses much the same principle in determining whether to allow amendments to a pending mark application;\textsuperscript{196} and that similar principles are legislatively and judicially applied in the United Kingdom.\textsuperscript{197}

Although the Act does not expressly consider the question of how far deviations from the mark as registered may be allowed while still counting as use of the mark, the courts themselves have fashioned a test which seems to be applied in most cases where use is in issue and which seems broadly in line with that suggested by the Convention: has the registrant used \textit{substantially} that mark? If so, use of the former will be treated as use of the latter. Such a question is partly one of fact and degree, and partly one of law.\textsuperscript{198} The mark in use must be compared with the mark as registered, and the significance of any differences judged from the viewpoint of potential customers or dealers. The test established under former trade mark legislation in determining whether the use was substantially the same, namely, whether anybody has been or is likely to be deceived or injured by the deviation,\textsuperscript{199} continues to be applied to the current \textit{Trade Marks Act}.\textsuperscript{200}

The application of the \textit{"substantially similar"} test may vary depending upon whether the mark in question is a word or a label mark. In the case of a mark consisting of an invented word, any change which would affect its appearance\textsuperscript{201} or pronunciation\textsuperscript{202} is probably objectionable. Thus, the court has doubted whether a mark PINE-L for disinfectants could be treated as a use of the mark PINE'L.\textsuperscript{203} In the case of a common word\textsuperscript{204} or combination of words, however, changes in spelling, punctuation and syntax, or the addition of other words or artistic material, may be more tolerable. Thus, the applicant for \textit{PLAYBOY MEN'S HAIR STYLIST} for hairdressing services was permitted to rely on his prior use of \textit{PLAYBOY HAIR STYLIST}, \textit{PLAYBOY MEN'S HAIR STYLING(S)} and \textit{PLAYBOY MENS HAIRSTYLISTS} to sustain his application for registration based on prior use.\textsuperscript{205} Similarly, the mark \textit{GOLD MEDAL FURS} was held used even though the labels attached to the

\begin{itemize}
\item \textsuperscript{196} Trade Marks Regs. C.R.C., c. 1559, s. 36(b), which provides than an application may not be amended at any time \textquoteleft to change the trade mark except in respects that do not alter its distinctive character or affect its identity.\textquoteright
\item \textsuperscript{197} \textit{Trade Marks Act}, 1938, 1 & 2 Geo. 6 c. 22, s. 30(1), 35(1) (U.K.); Kerly, supra note 44, at paras. 19-12.
\item \textsuperscript{198} \textit{Playboy Enterprises Inc. v. Germain}, supra note 184, at 274 (Fed. C.A.).
\item \textsuperscript{200} \textit{Playboy case}, supra note 184, at 36 (F.C.T.D.), at 274 (Fed. C.A.).
\item \textsuperscript{201} Cf. \textit{HUGGARS Trade Mark}, [1979] F.S.R. 310 at 317 (Ch.) (HUGGERS different from HUGGARS although \textquoteleft ordinarily a change of vowel in an unstressed syllable could not be a material difference\textquoteright).\textsuperscript{202}
\item \textsuperscript{203} Cf. \textquoteleft \textit{OTRIVIN}\textquoteright\textit{ Trade Mark}, [1967] R.P.C. 613 at 614-15 (OTRIVINE is materially different from OTRIVIN for purposes of s. 35(1) of 1938 U.K. Act)\textsuperscript{204}.
\item \textsuperscript{204} Cf. \textit{PELICAN Trade Mark}, [1978] R.P.C. 424 (PELIKAN for pens not substantially different from PELICAN)
\item \textsuperscript{205} Supra note 200.
\end{itemize}
goods referred to CANADA'S GOLD MEDAL FURRIERS; the dominant feature of the mark was GOLD MEDAL and other advertising used both the exact and the imprecise form of the mark, so that in all the circumstances nobody would be deceived by the deviating use.\textsuperscript{206} There however comes a point where the mark is really a combination of elements, so that an attempt to isolate and highlight one rather than the combination as being the mark will fail.\textsuperscript{207}

In the case of label marks or marks comprising words written in a special script, changes in subsidiary letterpress or artistry will be tolerated as permissible deviations, so long as the dominant features of the mark remain constant.\textsuperscript{208} Thus, presenting the dominant features of the mark in plain consecutive capital letters instead of in a scroll with the words differently arranged has been held permissible, where no other matter has been added or omitted.\textsuperscript{209} Similarly, changing the name of the mark owner after assignment of the mark, where other features of the mark made up its distinctive character, has been held permissible.\textsuperscript{210} However, changing the shape of the label and its design and adding further material of potential trade mark significance has resulted in a finding that the mark as registered has not in fact been used.\textsuperscript{211} Changes mandated by packaging and labelling regulations should generally be disregarded,\textsuperscript{212} although such changes should not provide a general warrant to modify the mark any more than is reasonably necessary to accommodate the regulations.\textsuperscript{213} On the other hand, a word mark may be used even where its presentation is in something other than plain capital letters. Thus, Noël A.C.J. has indicated that use of a word mark in ordinary capitals may be treated as use of the word presented in “fancy lettering or in small case lettering or in script,”\textsuperscript{214} and no doubt the converse may apply; in both cases, so long as the dominant feature of the mark is the word itself rather than the artistry by which it is presented, use may be established.

\textsuperscript{206} J.H. Munro Ltd. v. T. Eaton Co. Western, supra note 199; see too General Foods Ltd. v. Sunmark Inc. (1980), 61 C.P.R. (2d) 120 at 125-26 (Reg. T.M.).

The strength of the holding in the Munro case is however affected by the subsequent decision of the Exchequer Court holding that the discrepant use was not in fact used as a trade mark and holding the mark improperly registered: J.H. Munro Ltd. v. Neaman Fur Co., supra note 166, at 7.


\textsuperscript{208} Crush International Ltd. v. Canada Dry Ltd. (1979), 59 C.P.R. (2d) 82 at 86-87 (Reg. T.M.).

\textsuperscript{209} Honey Dew Ltd. v. Rudd, supra note 199, at 88-89.

\textsuperscript{210} Carling O'Keefe Breweries Ltd. v. Anheuser-Busch Inc., supra note 162, at 18-19.


\textsuperscript{212} Saccone & Speed Ltd. v. Reg. T.M. (1982), 67 C.P.R. (2d) 119 at 126 (F.C.T.D.), following dicta in the Molson case, \textit{id.}

\textsuperscript{213} One wonders whether the changes in the label in Saccone & Speed, supra note 212, were rather more than warranted by the mere presence of bilingualism regulations.

\textsuperscript{214} American Cyanamid case, supra note 203 (a case involving the question of what mark was used for the purpose of basing an application to register on such use).
F. Use in relation to services.

A more relaxed test of use is laid down in respect of a service mark than is the case for a mark for wares — necessarily so, since *ex hypothesi* there may be no wares to mark. By subsection 4(2) a mark is deemed used in association with services “if it is used or displayed in the performance or advertising of such services.” The following points should be noted:

First, the provision contemplates that services are in fact being provided or offered. Advertising in advance of offering the services apparently is not considered by the Registrar as use. By contrast, a United States court has taken the more realistic position that use sufficient to support a United States registration in respect of services is present in the case of “[o]pen and notorious use of a mark in connection with the advertising of services within a commercially reasonable time prior to the actual rendition of service . . . .”

Secondly, where the user’s trade name and trade mark are similar, it must be clear that the use intended is of the mark, rather than the name. Mere listing in the regular or yellow pages of a telephone directory may qualify as “advertising” but will likely only be use of the trade name, unless the use is such that it can be seen by the public or is clearly intended by the subscriber to be use of the mark. Thus, a listing of “Chicken Chalet Bar-B-Q Ltd.” followed by the address is a use of the trade name rather than the mark “Chicken Chalet Bar-B-Q”.

Thirdly, use in Canada requires that the services advertised or performed be actually performed in Canada. Thus, an American restaurant or amusement park may certainly advertise its services in Canada, but unless those services are actually available in Canada (that is, there are outlets here), there is no use in Canada; there must be some business facility here. On the other hand, an American factory advertising its tennis court resurfacing services in Canada was held to have used its mark in Canada; even though the constituent materials were manufactured in the United States, the services of necessity had to be performed in Canada.

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216 *Denman Place Investments Ltd. v. Hefru Food Services Ltd.* (1972), 8 C.P.R. (2d) 199 at 201 (Reg. T.M.).


218 See text accompanying notes 182 et seq., *supra*.

219 *Playboy case*, *supra* note 184, at 274 (Fed. C.A.).


221 Porter, *supra* note 215; *Marineland case*, *supra* note 19.

222 *Motel 6 case*, *supra* note 12, at 57 (U.S. motel taking and confirming Canadian reservations made directly or through automobile associations not using the mark in Canada).

VII. SPECIAL CIRCUMSTANCES EXCUSING NON-USE

Where the mark has not been used, to avoid expungement or amendment the registrant must show that non-use was "due to special circumstances that excuse such absence of use." The fact that subsection 44(1) prevents any person other than the Registrar initiating section 44 proceedings before a period of three years has elapsed after registration may be taken as a legislative indication that this period should normally be considered the maximum startup time for a registrant to commence serious commercial use.

The leading case on subsection 44(3) is Cattanach J.'s decision in *John Labatt Ltd. v. The Cotton Club Bottling Co.* After some eight years of non-use after registration, an American registrant entered into an agreement under which an Ottawa firm would manufacture goods under the mark as a registered licensee. This agreement was abandoned after a few weeks because of inadequate market interest, and the mark had not been used for a further two years prior to the sending of the section 44 notice. The registrant admitted the non-use but claimed that special circumstances existed by virtue of its intention to use the mark as soon as favourable market conditions appeared in Canada. Cattanach J. allowed an appeal from the Registrar's refusal to expunge the mark. He considered that the word "special" should be given its ordinary meaning of unusual, uncommon or exceptional. The circumstances need not affect traders other than the individual registrant. However, the voluntary decision of the registrant not to use the mark is not a special circumstance; subsection 44(3) envisages the operation of some external forces preventing the mark's use, for example, a fire in the factory or import restrictions. That the registrant does not intend to abandon the mark is irrelevant; its decision to refrain from use until market conditions are propitious is not a special circumstance.

Plainly, extensive use of the mark outside Canada or even considerable repute in Canada will not *per se* amount to a special circumstance excusing non-use. The Registrar has taken the common sense view that "it is necessary to consider not only the reasons advanced for non-use of a trade mark, but also to weigh those reasons against the length of period of non-use. A reason that may constitute a special circumstance that excuses absence of use for a period of three years, may not excuse absence of use for a longer period of...

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227 This requirement is specifically mentioned in both the U.S. and the U.K. statutes (see text accompanying notes 43-48, supra), but is significantly absent from the Canadian section.
228 *Re The Dover Engineering Group Ltd.*, supra note 56, at 124.
229 *Re Black Angus Franchise System Inc.* (1975), 29 C.P.R. (2d) 171 (Reg. T.M.). *Cf. Porter, supra* note 215, at 988-89, where the Court thought that such a fact might entitle the Registrar in his discretion not to expunge. *Quaere* whether such a discretion exists: see Section VIII, infra.
years.’’\textsuperscript{231} It should not be necessary to show that use was impossible, only that it was commercially impracticable.\textsuperscript{232} Special circumstances must be understood and applied in a business sense.\textsuperscript{233} Self-induced impossibility however does not seem relevant here, any more than it operates in the law of contract to frustrate an agreement. Thus, where a mark for liquor was not used because the registrant took no steps over a period of years to qualify himself under provincial law to sell such goods, the court held that no special circumstances existed sufficient to bar expungement.\textsuperscript{234} Further, the circumstances must be the reason why the registrant did not use the mark; “if independently of the special circumstances, there would be non-use, then non-use would not be due to the special circumstances.”\textsuperscript{235} The fact that the mark has been recently assigned will not absolve the assignee from providing evidence of special circumstances in respect of the assignor’s non-use.\textsuperscript{236}

Some difficulty may arise when dealing with trades which are claimed to be cyclical in character, for example, toys and fashion garments. In the past the Registrar has accepted that a temporary stoppage in use of a mark was a special circumstance when the affiant claimed that intermittent usage was a feature of that particular trade and where he demonstrated an intent to recommence use in the immediate future.\textsuperscript{237} The Trial Division too has accepted this somewhat relaxed view of special circumstances in \textit{Harris Knitting Mills v. Reg. T.M.}.\textsuperscript{238} At the time of the section 44 notice, the registrant of the mark ULTRALON in respect of knitwear had not used the mark for three years after having used it extensively for seventeen. There had been no market demand for knitwear made from the ULTRALON yarn and the registrant had accordingly stopped using the mark, in the expectation (justified by subsequent events) that changes in fashion would shortly resurrect that demand and cause him to start using it again. Dubé J. noted that the registrant demonstrated a continuing interest in the mark, unlike the registrant in \textit{John Labatt}\textsuperscript{239} who had not even bothered to appear at the appeal hearing; he showed “a clear intention to resume use, the sole condition being the market condition and not any voluntary act of” the registrant.\textsuperscript{240} Dubé J. accordingly held

\textsuperscript{231} \textit{Re Rixona Conserven B.V. of Holland} (1974), 29 C.P.R. (2d) 102 at 104 (Reg. T.M.); \textit{Re Goldwell Ltd.} (1974), 29 C.P.R. (2d) 110 at 111 (Reg. T.M.) (17 years non-use).

\textsuperscript{232} Manus case, \textit{supra} note 226.

\textsuperscript{233} \textit{“BALI” Trade Mark}, [1966] R.P.C. 387 at 406 (Ch.). “The reasons for non-use which have been accepted as special circumstances include product failure, sickness of the registrant, bankruptcy of the registrant, inability to negotiate a licence agreement, inability to market the product economically at current prices, and the unavailability of the necessary raw materials for manufacture”: Working Paper on Trade Marks Law Revision (Ottawa: Dept. of Consumer and Corporate Affairs, 1974) 259.

\textsuperscript{234} \textit{The Molson Co’s}, \textit{supra} note 62, at 180.

\textsuperscript{235} \textit{“BULOVA” case}, \textit{supra} note 227, at 235.

\textsuperscript{236} \textit{Re Société de Fabrication et de Distribution de Parfumerie et Cosmétiques Diparco S.A.}, \textit{supra} note 91, at 231-32.

\textsuperscript{237} \textit{Re Regal Toy Ltd.} (1975), 29 C.P.R. (2d) 239 at 240 (Reg. T.M.).

\textsuperscript{238} \textit{Supra} note 87.

\textsuperscript{239} \textit{Supra} note 225.

\textsuperscript{240} \textit{Supra} note 87, at 163.
that special circumstances existed and permitted the registration to continue. With respect, to say that non-use was not the "voluntary act" of the registrant seems an abuse of language; the registrant chose not to use the mark because it thought, no doubt correctly, that no-one would buy the marked goods at that time. Harris seems to say that a registrant is entitled to stop use as demand for the marked goods falls off; he may subsequently justify this non-use as a special circumstance upon demonstrating that he will resume use if he thinks people will want those goods again at some future hypothetical time. Dubé J. seems almost to suggest that so long as the registrant has not abandoned the mark, it should not be expunged under section 44.241 This somewhat relaxed treatment of special circumstances, admittedly a factual inquiry dependent upon the particular circumstances, is not generally followed in the United States under a comparable provision.242 The U.S. Commissioner of Patents has held that "Decreased demand for a product and its resultant withdrawal from the market do not constitute special circumstances which excuse nonuse within either letter or . . . spirit of the statute," even where the registrant deposes that the use has been temporarily discontinued and that he proposes to resume it when conditions warrant.243

The difficulty with such cases is of course that the assertions of the affiant as to the special features of his trade cannot be tested in any way but must be accepted at face value. Perhaps the best that can be done is to insist upon a demonstrated intent on the part of the affiant to recommence use of the mark by a certain date. Upon the date passing, the Registrar should send a fresh section 44 notice requiring the registrant to furnish evidence of use. Unless this is furnished or some clear and plausible reason given why use has not occurred despite the previous assertions, the mark should be expunged.

VIII. IS THERE ANY DISCRETION NOT TO EXPUNGE?

Upon a finding that there has been no use or special circumstances excusing non-use, subsection 44(3) states that the registration of such trade mark "is liable" to be expunged or amended. Subsection 44(4) continues that the Registrar should give notice of his decision when he "reaches a decision as to whether the registration of the mark ought to be expunged or amended." The question arises: once the finding has been made, does the Registrar have any discretion not to expunge? If he has, then of course the Federal Court on appeal may also exercise the discretion,244 paying due regard to the constraints imposed upon appellate review of a discretionary power.245

The problem could have been avoided had section 44 used either the formula "the Registrar shall" or "the Registrar may" expunge. In the former case, expungement would have been mandatory, in the latter, discretionary.246 Under the British Act, the latter formula is used; the Registrar "may" ex-

241 A view contrary to his own position in Lindy, supra note 12, at 130, that s. 44 is not an alternative method of expunging for abandonment.

242 Lanham Act, ch. 540, 60 Stat. 427 s. 8(a) (1946).


244 Subsection 56(3).


Trademark Expungement

punge, a form of wording which the courts have readily interpreted as importing a discretion. By virtue of such language, the registration should *prima facie* be expunged unless the registrant demonstrates some clear case justifying non-expungement.247

The matter has not been the subject of definitive decision in Canada. In one case, the presence of a discretion appears to have been conceded but the Court expunged anyway.248 In another, the Federal Court of Appeal doubted the existence of the discretion and again expunged, since the reasons presented for the exercise of any such discretion were unconvincing.249 Jackett P. too seems to have considered that no discretion exists when, in describing subsection 44(3), he said that “it does not provide for anything to be done by the Registrar or by any other person. It creates a substantive rule.”250

It is submitted that no such discretion exists. The reason for the rather awkward language in subsection 44(3) is not because the Legislature intended a discretion to be conferred. Rather, it was for the purpose of enabling the registrant to appeal the Registrar’s decision to expunge. The alternative would have been to permit the Registrar to expunge or amend in accordance with his decision immediately and let the registrant then appeal this action. Pending appeal, matters would have been left in some uncertainty; would the Court reverse the Registrar and reinstate the registration or not? Could someone else apply for the mark in the meantime? How ought the Registrar to deal with such an application? The reasonable view seems to have been adopted that, pending the registrant’s decision to appeal, the registration should remain. Once the time limit for appeal expired, subsection 44(5) required the Registrar to act in accordance with his decision. If an appeal was taken, the Registrar would stay his hand and await the outcome of the appeal. The only lacuna which seems to be exposed by such a scheme is that if the Trial Division holds that expungement should occur, there is no automatic stay of that order pending a further appeal to the Court of Appeal. Perhaps the Registrar should stay his hand in such a case until the expiry of time to appeal to the Court of Appeal. However, to avoid such uncertainties, it might be preferable for the Trial Division itself to stay the operation of any order to expunge pending the expiration of the appropriate time limit for further appeal, and the Court of Appeal might act similarly in case of any appeal being taken from its decision to the Supreme Court of Canada.

IX. APPEALS

A number of questions concerning the nature of an appeal to the Federal Court have already been dealt with in part D of Section V. Two further matters should be mentioned for the sake of completeness.

First, one or two cases have suggested that the Registrar’s decision under section 44 involves an exercise of his discretion,251 thereby engaging the rather stricter standard of review available to an appellate court when dealing with

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248 *Porter*, *supra* note 215, at 988-89.

249 *Plough case*, *supra* note 64, at 68-69.

250 *Noxzema case*, *supra* note 68, at 452.

251 See, e.g., *Kightley*, *supra* note 69, at 41.
such questions.\textsuperscript{252} This view does not seem correct. Whether there has been use is a mixed question of law (involving section 4 of the Act) and fact. It is not the same sort of question facing the Registrar when he decides whether two marks are confusing or whether registrability is established in light of section 12, questions which the Supreme Court has recognized as being practical questions of fact in the resolution of which the Registrar has particular experience.\textsuperscript{253} The only questions of this character which seem to arise under the section 44 jurisdiction are ones such as whether a use has been in the normal course of trade or whether special circumstances exist excusing non-use. The normative features that adjectives such as normal or special conjure up involve something more than making a mere finding of fact; they require the Registrar to resort to his general experience and judgment in determining whether the facts presented are truly normal or special. Such matters apart, the court should be just as able on appeal as the Registrar to decide whether use existed. Whether or not the appellate function is best characterized as a trial \textit{de novo},\textsuperscript{254} this does not appear to be one of those cases where any special deference should be shown to the Registrar’s views.

Secondly, the registrant against whom the Registrar has made an adverse decision clearly has a right of appeal. By contrast, where the Registrar has acted \textit{su\ adicompelligsa\motu} under subsection 44(1), a decision favourable to the registrant is not appealable by anyone. The position when the Registrar has acted upon the written request of a third party, seems just as straightforward. In \textit{Benson} \& \textit{Hedges (Can.) Ltd.} v. \textit{Kiewel-Pelissier Breweries Ltd. (No. 2)},\textsuperscript{255} Noël A.C.J. held that the requesting person was a party to proceedings under section 44 and was entitled to appeal the Registrar’s decision.\textsuperscript{256} The converse must logically be true, namely, the requesting party must be a party to the appeal when the registrant challenges the Registrar’s decision to expunge or amend his registration. Thurlow J. so held in \textit{Broderick} \& \textit{Bascom Rope Co. v. Reg. T.M.}\textsuperscript{257} when, after referring to subsections 59(2) and (3), he said that “[T]hese provisions confer on the person who instigates the subsection 44(1) notice the right to file a reply for the purpose of contesting the appeal and nothing more than the filing of such a reply is required to constitute that person a party, and a proper party to the appeal.” The Federal Court of Appeal has endorsed these views in another context in its decision in \textit{Dr. Pepper Co. v. Pepsi\\co Inc.},\textsuperscript{258} holding that a person should be considered a party to an appeal when, after referring to subsections 59(2) and (3), he said that “[T]hese provisions confer on the person who instigates the subsection 44(1) notice the right to file a reply for the purpose of contesting the appeal and nothing more than the filing of such a reply is required to constitute that person a party, and a proper party to the appeal.”

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{252} Supra note 245.
\item \textsuperscript{253} \textit{Benson} \& \textit{Hedges (Can.) Ltd.} v. \textit{St. Regis Tobacco Corp.}, \textit{supra} note 116.
\item \textsuperscript{254} See, \textit{e.g.}, \textit{Keepsake case}, \textit{supra} note 148, at\textendash\textendash.
\item \textsuperscript{255} (1972), 5 C.P.R. (2d) 215 at 217 (F.C.T.D.).
\item \textsuperscript{256} The Court has consistently acted on this view: see, \textit{e.g.}, \textit{Estée Lauder case}, \textit{supra} note 51; \textit{The Molson Co's.}, \textit{supra} note 58; \textit{John Labatt Ltd.}, \textit{supra} note 225; \textit{the Plough case}, \textit{supra} note 64; \textit{the Kightley case}, \textit{supra} note 69.
\item \textsuperscript{257} Supra note 59, at 213.
\item \textsuperscript{258} (1975), 20 C.P.R. (2d) 274 (Fed. C.A.). The question was whether the applicant to register was a proper party to an appeal by an opponent whose opposition had been summarily dismissed under s. 37(4) for failing to state a substantial ground of opposition. The Court held that he was a proper party.
\end{enumerate}
\end{footnotesize}
peal if he is entitled to receive notice of the appeal;\footnote{259} the right given by subsection 59(2) to reply to the appeal makes that person a party whether or not he appears as such in the style of cause.\footnote{260} In view of his automatic status as party, it is superfluous for him to seek leave to intervene or be added as a party.

However, in \textit{Parker-Knoll Ltd. v. Reg. T.M.},\footnote{261} a case involving a registrant's appeal from a decision to expunge, Walsh J., while affirming the requesting party's right to appear and make submissions, stated that such a person was not a party to the proceedings\footnote{262} and consequently could not have costs awarded against him in the event of an appeal being unsuccessful.\footnote{263} The weight of Walsh J.'s observations is reduced by the fact that this point was apparently not argued\footnote{264} and no reference was made by the Judge to the authorities in the previous paragraph. It would be anomalous if a person is considered a party if he wishes to appeal but not if he appears to oppose a registrant's appeal. If he is to be at risk as to costs in the former case,\footnote{265} he should equally be so in the latter. Further, if Walsh J. were right, it is difficult to see how such a person could appeal an adverse decision of the Trial Division to the Court of Appeal. In \textit{Mayburn Products Ltd. v. Reg. T.M.},\footnote{266} Cattanach J. refused to follow Walsh J. on this point. The judge held that both the Registrar and the requesting party should be considered as proper parties in any appeal and should be designated as such in the style of cause. With respect, this seems perfectly correct. Walsh J.'s views should accordingly be treated as \textit{per incuriam}.

\section*{X. CONCLUSION}

In the Trademarks Bill of 1979,\footnote{267} an equivalent to section 44 was included, with a number of amendments designed to clear up some of the difficulties revealed above.\footnote{268} Thus, the Registrar's authority to demand a supplementary affidavit where he was not satisfied with the registrant's first affidavit was made clear;\footnote{269} the registrant was required to state that he was not using the mark only or primarily "to maintain trademark rights under this Act;"\footnote{270} and a one-year period of grace during which the registrant could recommence use

\begin{itemize}
\item \footnote{259}{The requesting party plainly is, in terms of s. 56(3), a "person who was entitled to notice of [the Registrar's decision]": s. 44(4).}
\item \footnote{260}{Cattanach J.'s preliminary comments to the contrary in \textit{Ports International Ltd. v. Reg. T.M.} (1982), 67 C.P.R. (2d) 209 at 211 (F.C.T.D.) should therefore be treated as \textit{per incuriam}.}
\item \footnote{261}{Supra note 73.}
\item \footnote{262}{\textit{Id.} at 155-56.}
\item \footnote{263}{\textit{Id.} at 159, Walsh J. followed his view in \textit{Associated Biscuits of Can. Ltd. v. Reg. T.M.} (1980), 54 C.P.R. (2d) 211 at 213 (F.C.T.D.).}
\item \footnote{264}{\textit{Id.} at 156.}
\item \footnote{265}{Costs may be awarded against the unsuccessful registrant-respondent: \textit{Aerosol Fillers Inc. v. Plough (Can.) Ltd.}, \textit{supra} note 138, at 199, aff'd, \textit{supra} note 64.}
\item \footnote{266}{\textit{Supra} note 73.}
\item \footnote{267}{Bill S-11, 1979 (30th Parl. 4th Sess.). The Bill was not proceeded with.}
\item \footnote{268}{\textit{Id.} s. 42.}
\item \footnote{269}{\textit{Id.} s. 42(3).}
\item \footnote{270}{\textit{Id.} s. 42(1)(b)(iii), (c)(iv).}
\end{itemize}
Reforms such as these are no doubt useful so long as one accepts the premise of section 44 — a scheme whereby the registrant may proffer a ritual affidavit the truth of which must be accepted at face value and which cannot be tested by any means whatsoever, apart from a careful perusal of the language used to see whether the affiant is trying to hide something by craft. If the fundamental basis of the *Trade Marks Act* is accepted, that a mark should be used in order to continue receiving the benefits of registration, then a scheme whereby use or non-use can be demonstrated — not merely asserted — to exist should be established. The plethora of cases on section 44 has revealed that too many registrants are simply not using their registered marks and, when challenged, are hiding behind carefully chosen verbiage in their affidavit to mask their non-use. Granting a requesting party the right to cross-examine or to file affidavits in opposition would serve as a deterrent to this type of activity. Once this step is taken, nothing short of accepting the concept of a hearing, rather like what already occurs before the Registrar in opposition proceedings, seems acceptable. Whether this would increase the number of section 44 applications and overburden the Trade Marks Office and the Federal Court may be doubted. Registrants seeking to protect their unused marks will continue trying to do so for the same sorts of business reasons that motivate them currently. The only thing that would change is their likelihood of success. Registrants who have in fact been using their marks will be able to demonstrate that fact simply and will have no difficulty in maintaining the truth of their averments under cross-examination. A requesting party will not appeal such a case, unlike the present position where the very inadequacy of the procedure before the Registrar encourages appeals. Registrants who do not have an interest in their marks sufficient to have their oath tested by cross-examination do not deserve the benefits the Act confers upon them and should have their marks expunged in favour of someone who does really intend to use them. The objection that registrants, especially foreign ones, would be unfairly penalized by the expense of attending cross-examination could be met by conferring on the Registrar the power to award costs and out-of-pocket expense to deter requesting parties abusing the system. In such a scheme, matters will more likely be decided on the merits than on a desultory examination of what a deponent really means in his affidavit and whether it formally meets the requirements of use or special circumstances excusing non-use. In short, perhaps it would be better to admit that section 44 has not been a resounding success and that its structural defects cannot be remedied by papering over the cracks which have appeared in its lop-sided edifice.

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271 Id. s. 42(6).

272 Compare the semantic tortuosities which the Trial Division and the Court of Appeal respectively were forced to engage in in the *Plough* decisions, *supra* notes 138 and 64. To this extent the modifications to s. 44 recommended by the Working Paper on Trade Marks Law Revision, *supra* note 233, at 265-67, seem to miss the point. However much additional evidence the registrant is required to submit by the Registrar, the value of such evidence is little unless it can be exposed to challenge by a requesting party.