

SECTION 45 PROCEEDINGS
TRADE-MARK: CUBANA
REGISTRATION NO: UCA50,813

[1] At the request of MacRae & Co. (the “Requesting Party”) the Registrar forwarded a notice under section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”) on November 17, 2006 to House of Horvath Inc. (the “Registrant”), the registered owner of the above-referenced trade-mark (the “Mark”). The Mark is registered in association with “cigars” (the “Wares”).

[2] Pursuant to the provisions of s. 45 of the Act, the registered owner must show, with respect to each of the wares and/or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three-year period immediately preceding the date of the notice and, if not, the date on which it was last used and the reason for the absence of use since that date. In this case, the relevant period for showing use is any time between November 17, 2003 and November 17, 2006.

[3] “Use” in association with wares is set out in subsections 4(1) and 4(3) of the *Trade-marks Act*:

4. (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 the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

[...]

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

In this case, ss. 4(1) applies.

[4] In response to the Registrar’s notice, the Registrant furnished the affidavit of Mr. Joseph Horvath, the President of the Registrant, together with specimen product

packaging attached as “Schedule “A””. Both parties filed a written argument; an oral hearing was not requested.

[5] With respect to the accompanying exhibit (“Schedule “A””), the Requesting Party noted in its written argument that this exhibit was not sworn; asserting that this defect is more than a technical deficiency. However, in the context of section 45 proceedings, and in particular, in a case wherein the attachment has been clearly described and identified in the affidavit, the fact that this exhibit is not notarized is a technical shortcoming which should not render the evidence inadmissible [see *Baume & Mercier S.A. v. Brown* (1985), 4 C.P.R. (3d) 96 (F.C.T.D.); *Maximilian Fur Co. v. Maximillian for Men’s Apparel Ltd.* (1983), 82 C.P.R. (2d) 146 (T.M.O.B.); and *Smith, Lyons, Torrance, Stevenson & Mayer v. Pharmaglobe Laboratories Ltd.* (1996), 75 C.P.R. (3d) 85 (T.M.S.H.O.)].

[6] The remaining arguments of the Requesting Party are (i) the Registrant has failed to show use of the Mark, as evidence of sales, such as invoices, has not been furnished; and (ii) the Registrant’s evidence does not show use of the Mark in the normal course of trade.

[7] With regard to the Requesting Party’s submissions, the relevant paragraphs of Mr. Horvath’s affidavit are reproduced below:

5. *On October 6, 2004, the Company sold (for \$79.20) and shipped to a customer located in Toronto, Ontario (namely, Cigars for You, then located at 330 Steeles Avenue West, North York, Ontario, L4J 6W9) an order of one hundred and twenty (120) cigars, with the trade-mark Cubana imprinted on the cellophane wrapper on each such cigar.*
6. *On August 22, 2006, the Company sold (for \$37.86) and shipped to a customer located in Halifax, Nova Scotia (namely, Sievert’s Ltd., located at 1573 Barrington Street, Halifax, Nova Scotia, B3J 1Z7 (Tel: 902-422-4544, contact: Mr. Craig Sievert)) an order of sixty (60)*

cigars, with the trade-mark Cubana imprinted on the cellophane wrapper on each such cigar.

7. *Attached hereto as Schedule "A" is copy of the subject cellophane wrapper in use enveloping cigars sold by the Company, in regards to and indicating its trade-mark Cubana, including the aforesaid sales of October 6, 2004 and August 22, 2006.*

[8] With respect to the Requesting Party's submissions regarding the lack of invoices in evidence, there is no particular type of evidence that must be provided and an affidavit that does not attach an invoice is not presumptively useless (*Lewis Thomson & Sons Ltd. v. Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483 (F.C.T.D.)).

[9] In the present situation, the affiant has provided statements of fact surrounding two separate instances of sales of the Wares to unrelated parties. This information includes facts such as the dates of the sales, the names and addresses of the purchasers, the quantities of goods purchased, and the total dollar amounts of the sales transactions. Clearly these statements go beyond mere assertions of use as "matters of law" [see *Central Transport, Inc. v. Mantha & Associés/Associates* (1995), 64 C.P.R. (3d) 354 (F.C.A.)], and I find the above-noted facts surrounding such sales transactions, in the absence of invoices, are adequate to establish that the Registrant made sales of the Wares during the relevant period.

[10] As to whether such sales were made in the Registrant's normal course of trade, the Requesting Party more specifically argues that Mr. Horvath does not describe the Registrant's normal course of trade and it is not clear from the evidence that the sales of the CUBANA cigars were *bona fide* sales in the Registrant's normal course of trade. It submits that the low price of the cigars, likely below cost, is unexplained and suspect, to the extent that the sales do not constitute reliable evidence of genuine commercial transactions. Further to this, it submits that there are insufficient sales in the context of inexpensive goods and further facts have not been provided to permit the conclusion that such sales were made in the Registrant's normal course of trade. To support these

arguments, the Requesting Party has cited a number of cases [including *S.C. Johnson & Son, Inc. v. Registrar of Trade-marks* (1981), 55 C.P.R. (2d) 34 (F.C.T.D.); *Cast Iron Soil Pipe Institute v. Concourse International Trading Inc.* (1988), 19 C.P.R. (3d) 393 (T.M.O.B.); *Ogilvy Renault v. Metro Meat Ltd.* (1988), 23 C.P.R. (3d) 126 (T.M.O.B.); *Rideout & Maybee v. Frances Denney Inc.* (1992), 46 C.P.R. (3d) 574 (T.M.O.B.); and *Wallace v. Geoservices* (1988), 19 C.P.R. (3d) 561 (T.M.O.B.)].

[11] However, contrary to the Requesting Party's view, although minimal sales have been evidenced, I see nothing in the evidence that leads me to conclude that such sales were not *bona fide* sales in the Registrant's normal course of trade (see *Rogers & Milne v. Sherwood-Drolet Ltée* (2001), 16 C.P.R. (4th) 109 (T.M.O.B.)). The above-noted cases relied upon by the Requesting Party are distinguishable, in that specific details of two separate sales transactions have been provided in the present case, not simply a bare statement that sales were made. Additionally, several of the cases relied upon by the Requesting Party were decided prior to amendments made in 1994 to s. 45 of the Act; the result of such amendments being that it is no longer necessary to show *use at the time the notice* was given by the Registrar.

[12] There is no minimum amount of commercial activity required in order to maintain the registration [see *Vogue Brassiere Inc. v. Sim & McBurney* (2000), 5 C.P.R. (4th) 537 at 549 (F.C.T.D.)]. Furthermore, a single sale is sufficient, provided that it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trade-mark [see *Philip Morris Inc. v. Imperial Tobacco Ltd. et al* (1987), 13 C.P.R. (3d) 289 (F.C.T.D.); *Quarry Corp. v. Bacardi & Co.* (1999), 86 C.P.R. (3d) 127 (F.C.A.)]. The threshold for establishing use in a s. 45 proceeding is quite low; all the registrant has to do is establish a *prima facie* case of use [see *Austin Nichols & Co. v. Cinnabon, Inc.* (1998), 82 C.P.R. (3d) 513 (F.C.A.) at 525].

[13] Despite the arguably low price of the Wares, since I see no ambiguity in the evidence, there is no reason to conclude that the sales referred to in the evidence were not

in the normal course of trade as part of a dealing in the wares for the purpose of acquiring goodwill and profits from the marked goods (see *Imperial Group Ltd. v. Philip Morris & Co. Ltd.* [1982] F.S.R. 72 and *Lin Trading Co. v. CBM Kabushiki Kaisha* (1985), 5 C.P.R. (3d) 27 (T.M.O.B.), aff'd (1987), 14 C.P.R. (3d) 32 and (1988), 21 C.P.R. (3d) 417, with respect to the defining the term “normal course of trade”).

[14] In view of the above, and with regard to the well-established principle that s. 45 of the Act is to provide a simple, summary and expeditious procedure for removing “deadwood” from the register, I am satisfied that there was use of the subject trade-mark within the meaning of s. 45 and ss. 4(1) of the Act. Pursuant to the authority delegated to me under s. 63(3) of the Act, I hold that the trade-mark registration ought to be maintained on the register. Registration No. UCA50,813 will be maintained in compliance with the provisions of s. 45(5) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 16th DAY OF JUNE 2009.

K. Barnett
Hearing Officer
Trade-marks Opposition Board