

**SECTION 45 PROCEEDING  
TRADE-MARK:REGAL  
REGISTRATION NO: 177, 043**

On September 8, 1993, at the request of Mr. Pradeep Kumar Suri, as represented by Messrs. Aird & Berlis, the Registrar forwarded a Section 45 Notice to Intercraft Industries L.P., the registered owner at the time of the above referenced trade-mark registration. The transfer of the trade-mark to the current owner, Intercraft Company, was recorded at the Trade-Marks Office on April 29, 1994. The trade-mark REGAL is registered for the following wares:

"photograph frames, picture frames and mirror trays".

In response to the Section 45 Notice, two affidavits of Eva Karwowski, Product Manager of Intercraft Industries of Canada Ltd. were furnished. The requesting party filed written submissions. A retroactive extension of time to file additional evidence was requested by the registrant but the Registrar refused to grant the retroactive extension of time as the registrant's request did not comply with the requirements of Section 47(2) of the Trade-marks Act. Written submissions were filed on behalf of the registered owner. No oral hearing was conducted.

Section 45 as amended by the World Trade Organization Agreement Implementation Act on January 1, 1996, requires the registrant to demonstrate use of its trade-mark at any time during the **three year period** preceding the date of the Notice for each of the registered wares and/or services. The Trade-marks Opposition Board applies Section 45 as amended to all Section 45 cases whether they were commenced before or after January 1, 1996. Consequently, the relevant period in this case is between September 8, 1990 and September 8, 1993. If the registrant cannot show use within this period, it is required to show the date of last use of the mark and provide the reason for the absence of use since such date.

Concerning the evidence furnished, the requesting party argues as follows: (1) the evidence submitted does not show use by the proper party; (2) the application to record the transfer of the trade-mark to Intercraft Company was unduly delayed and as such, has resulted in the trade-mark not being in use by the proper parties at the date of the issuance of the Section 45 Notice; (3) in the event that the assignment is determined to have been recorded within an acceptable period of time,

there is no evidence to establish that the assignee, Intercraft Company, has used the trade-mark in Canada, nor is there evidence to establish that the alleged use of the mark by Intercraft Industries of Canada Ltd. following the assignment of September 29, 1992 is proper use as a registered user or licensee of Intercraft Company; (4) in any case, use of the trade-mark by Intercraft Industries of Canada Ltd. is ineffective since Intercraft Industries of Canada Ltd. dissolved on September 24, 1992 under the laws of Ontario; and (5) any use shown is not use of the trade-mark as registered. I will address each of these submissions.

Regarding the transfer of the trade-mark to Intercraft Company, the assignment document was submitted to the Office on September 7, 1993, one day prior to the issuance of the Section 45 notice. Although this assignment document was received by the Trade-marks Office prior to the notice, I am of the view that, the Registrar has authority to decide the effect of the assignment. As a result, I consider that the matter of the assignment of the registered trade-mark REGAL can be reviewed in the present proceeding. The assignment document which is also attached to the Karwowski affidavit is reproduced below:

Although the document confirms the transfer of the trade-mark to Intercraft Company, I find that it does not clearly confirm that such transfer occurred on September 29, 1992. The wording "...does hereby sell, assign and transfer nunc pro tunc as of the 29th day of September, 1992 ..." (underlining is mine), would appear to be an attempt to assign the trade-mark retroactively to September 29, 1992, which as stated in the Marcus case, *supra*, is not acceptable. The "execution date" also reads "as of September 29, 1992". In view of the wording used, I find it unclear when the assignment actually occurred. Nevertheless, as the document was submitted to the Office prior to the Section 45 notice being issued, I accept that at the date of the Section 45 notice Intercraft Company was the rightful owner of the trade-mark REGAL. Having accepted that Intercraft Company was the owner of the trade-mark at the date of the notice, consideration must now be given to the evidence furnished on its behalf with respect to the use of the trade-mark REGAL.

Ms. Karwowski has identified herself as being employed by Intercraft Industries of Canada Ltd. At paragraph 3 of her affidavit, she states that although her company has manufactured REGAL picture frames, and sold them to such companies as "Sears" and "Zellers", the company now imports the wares "picture frames" under the trade-mark REGAL from Intercraft Company and previously from Intercraft Industries, L.P. for sale into Canada. I find the evidence unclear as to when Intercraft Industries of Canada Ltd. started acting as a mere importer of the wares.

The exhibits attached to the affidavit consist of catalogues for the years 1991 and 1992, price lists listing among other wares the REGAL frames, invoices showing sales of REGAL frames, and a sales report.

The catalogues, price lists, and the sales report all refer to Intercraft Industries of Canada Inc. The invoices bearing dates between December 1990 and January 1992 are in the name of Intercraft Industries of Canada Ltd. and show sales of photograph frames bearing product number 1170. One invoice, which is dated November 4, 1992, is in the name of Intercraft Industries of Canada Inc. The relevant period to show some use in the present case, covers the period from September 8, 1990 to September 8, 1993. Consequently, the evidence appears to show sales of REGAL photograph frames during the relevant period. The issue, however, is whether such use is by the registered

owner or is use that accrues to the registered owner.

I would observe here that prior to June 9, 1993, use had been interpreted to mean "...use by the registered owner or a registered user". Having verified the auxiliary registered user register being kept under Section 26 of the Act, it shows that "Intercraft Industries of Canada Ltd." was a registered user of the trade-mark up to July 14, 1990 when its registration as a registered user was cancelled. The register also shows that on that same date, i.e. July 14, 1990, Intercraft Industries of Canada Inc. was appointed as the new registered user and remained a registered user until June 9, 1993 when the registered user provisions were revoked and replaced with "licensing" provisions. From the auxiliary register, Intercraft Industries of Canada Ltd. and Intercraft Industries of Canada Inc., appear to be separate legal entities, particularly since the registered user entry with respect to Intercraft Industries of Canada Inc. identifies such company as "formerly 873844 Ontario Inc."

I note, however, that both companies have the same address; furthermore, I note from the invoices submitted as exhibits that the companies have the same telephone number, fax number and GST number. It therefore appears that they could be one and the same company. However, whether or not the two companies are actually one and the same company is unclear; furthermore, I find it puzzling that Ms. Karwowski has not made any reference to Intercraft Industries of Canada Inc. in her affidavit. She has mentioned, however, that she had knowledge of the facts set out in her affidavit as she had access to all records of her company and has attached catalogues, price lists, all bearing the name Intercraft Industries of Canada Inc. and one invoice bearing that company's name. These documents may therefore be part of the records of her company. This, however, should have been explained. Nevertheless, notwithstanding the ambiguity concerning the two companies, the evidence shows use of the mark to be by Intercraft Industries of Canada Inc., as the catalogues and price lists bear that company name. As such company was registered as a registered user prior to June 9, 1993, I accept that any use in Canada by such company is relevant use as it would have accrued to Intercraft Industries L.P. (Intercraft Company's predecessor-in-title) whom I consider was the registrant at the time. The invoice dated November 4, 1992 shows a sale by that company during the relevant period. Consequently, although I would have preferred if Ms. Karwowski had clearly set out her relationship with such company, I am prepared to accept her evidence and to conclude

that the use shown is “relevant use”.

In her affidavit, Ms. Karwowski has referred to the wares sold as “picture frames”. However, the exhibits show the wares as “photograph frames”. The differences between these two wares are unclear. However, as the wares “picture frames” and “photograph frames” are identified as separate wares in the registration, and as the exhibits refer to “photograph frames”, I conclude that use has only been shown for the wares “photograph frames”. Consequently, the wares “picture frames” will be deleted from the registration. The registration also covers the wares “mirror trays”. However, as the evidence does not refer at all to “mirror trays”, such wares will be deleted from the registration.

Concerning the requesting party’s argument that any use shown is not of the trade-mark as registered, I note that the trade-mark REGAL is registered as a word mark. The evidence shows that the word REGAL is used in close proximity to a symbol or design. However, I am of the view that the public upon seeing the trade-mark as used, would still perceive the trade-mark REGAL per se as being used. Whether or not the symbol used in proximity to the word REGAL is also a registered trade-mark is not relevant. It has been established that use of two trade-marks on the same ware is not prohibited by the Act (A.W. Allen Ltd. v. Warner-Lambert Canada Inc. (1985), 6 C.P.R. (3d) 270 (F.C.T.D.)).

The requesting party’s arguments that Intercraft Industries of Canada Ltd. was dissolved in 1992 was not taken into consideration as the requesting party is precluded from furnishing evidence in a Section 45 proceeding.

Notwithstanding the shortcomings in the Karwowski affidavit, I have concluded but not without difficulty, that it appears that there was some use of the trade-mark during the relevant period in association with “photograph frames” by a company called Intercraft Industries of Canada Inc. and that the use by such company (who was a registered user prior to the repeal of the registered user provisions on June 9, 1993) is considered to be proper use at all relevant times (see Helene Curtis v. Belvedere, 62 C.P.R.(3d) 394, and Julius Samann Ltd. v. Ferjo, 62 C.P.R.(3d) 564) and that it

accrues to Intercraft Industries L.P., the registrant's predecessor-in-title, which use is sufficient to satisfy the requirements of Section 45 of the Trade-marks Act. In arriving at this conclusion, I had in mind the purpose of Section 45 which, as stated by the jurisprudence, is to remove "deadwood" from the register. As use of the mark in association with "picture frames" and "mirror trays" has not been shown, these wares shall be deleted from the registration.

In accordance with the provisions of Section 45(5) of the Act, Registration No. 177,043 will be amended to read:

WARES/MARCHANDISES: "Photograph frames".

DATED AT HULL, QUEBEC, THIS 25th DAY OF November, 1996.

D. Savard  
Senior Hearing Officer  
Section 45 Division