

NO INTENTION TO DISTRIBUTE REQUIRED TO ESTABLISH USE OF A TRADE-MARK IN CANADA

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A recent decision of the Trial Division of the Federal Court of Canada confirmed that a foreign trade-mark owner need not control the activities of a distributor in Canada in order to benefit from the "use" made of the trade-mark in Canada. The Court restated the principle that one must not ask who is using the trade-mark but rather whose trade-mark is being used. (*S.A. Jetstream v. R.D. International Styles Collections Ltd./Les Collections de Style R.D. Internationales Ltée*, F.C.T.D., No. T-1330-92, 7 May 1993).

Use of a trade-mark in association with wares is defined at Subsection 4(1) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 in the following manner: "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."

Plaintiff S.A. Jetstream ("Jetstream") initiated proceedings on June 5, 1992 in order to expunge from the Canadian Trade-Mark Register the registration for the trade-mark VOTRE NOM for clothing which had been obtained by R.D. International Styles Collections Ltd./Les Collections de Style R.D. Internationales Ltée ("R.D.") on March 29, 1991 following an application filed on November 15, 1989 on the basis of proposed use of the trade-mark in Canada. Jetstream alleged that R.D.'s registration was invalid on the basis that, as of November 15, 1989, Jetstream had previously used its own trade-mark VOTRE NOM... in association with clothing in Canada.

Jetstream is a French company specializing in the design, manufacturing, promotion and sales of articles of clothing under the trade-mark VOTRE NOM... It alleged that its trade-mark VOTRE NOM... had been present in Canada since at least as early as October 21, 1989. In its evidence,

Jetstream presented the testimony of Mr. Maurice Ouaknine, president of Jacalain Inc., a Montreal clothing store. Mr. Ouaknine indicated that he purchased in Paris on October 13, 1989, 17 articles of clothing under the trade-mark VOTRE NOM... at Jetstream's head office for resale at Jacalain's premises in Montreal. Jetstream knew that the articles would be resold in Montreal. In fact, Jacalain resold to consumers in Montreal these 17 articles of clothing between October 21, 1989 and November 13, 1989.

In its defence, R.D. pleaded that any prior distribution for the trade-mark VOTRE NOM... in association with articles of clothing was not carried out by Jetstream in Canada, but was, if at all, carried out by an independent distributor, on its own behalf. In other words, R.D. submitted that the evidence did not reveal any intention on the part of Jetstream to actually use its trade-mark VOTRE NOM... in Canada. Mr. Justice Denault rejected this argument and indicated that Section 4 of the *Trade-marks Act* did not require proof of any intention regarding distribution of products under a trade-mark in Canada, to determine if use had occurred. In the Court's view, Subsection 4(1) contemplates that sales between the retailer and the public enure to the benefit of the manufacturer and its use in Canada. Thus, the Court concluded that Jetstream's trade-mark VOTRE NOM... had been used in Canada prior to November 15, 1989.

As its second argument, R.D. pleaded that no rights over the trade-mark VOTRE NOM... should be recognized to Jetstream, as the 17 articles of clothing purchased by Jacalain had allegedly been brought into Canada illegally, the appropriate and applicable rights not having been paid. The Court rejected this argument, noting that no evidence had been presented to that effect; it further added that the allegation and even the proof of an activity in Canada by a trade-mark owner which violates the provisions of a statute other than the Trade-marks Act, does not cause that owner to lose its rights over its trade-mark.

Finally, the Court confirmed Jetstream's prior rights to the trade-mark VOTRE NOM... and ordered that R.D.'s registration be expunged.

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