

SECTION 45 PROCEEDING: THE NEED FOR PRECISION IN DESCRIBING WARES AND SERVICES

by
Dario Pietrantonio
LEGER ROBIC RICHARD, Lawyers
ROBIC, Patent & Trademark Agents
Centre CDP Capital
1001 Square-Victoria - Bloc E – 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: (514) 987 6242 - Fax: (514) 845 7874
www.robic.ca - info@robic.com

Section 45 of the *Trade-marks Act* (R.S.C. 1985, c. T-13) allows "any person", referred to as the requesting part, to forward a written request to the Registrar of Trade-marks requiring that the owner of a trade-mark show the use of said mark with regard to each or certain of the wares and services for which it was registered. The proceedings under Section 45 only apply to marks which have been registered for at least three years.

In order to overcome a Section 45 proceeding, the owner of the mark is obliged, pursuant to a request by the Registrar, to show use of the mark during the two preceding years or provide the "special circumstances that excuse the absence of use".

A Section 45 proceeding was instituted against *Sharp Kabushiki Kaisha, doing business as Sharp Corporation, regarding its trade-mark SHARP* which had been registered for a wide array of electronic wares. The proceedings in this matter specifically targeted "clocks" and "watches".

Sharp Corporation filed affidavit evidence stating that in the regular course of its business it had sold numerous electronic products under the trade-mark SHARP which displayed time either as a primary or secondary function. The wares referred to were the following: clock radios, wallet size telephone directory with schedule alarm and anniversary alarm systems, travel clock calculators, talking clock/calculator combinations, talking clocks, telephone directory schedule and clock with QWERTY style keyboard, horizontal wallet size telephone directories with schedule alarm, anniversary alarm systems, electronic organizers, scientific memo masters, electronic cash registers, personal palm-top computers, facsimile machines, portable CD stereo systems, video cassette recorders, camcorders and microwave ovens. Sharp Corporation claimed that the sale of the above-mentioned wares constituted use of the trade-mark for "watches" and "clocks" due to their time-keeping functions.

Furthermore, Sharp Corporation argued that since the sixth item in its list of wares was set-out as "(6) Watches and clocks", it would suffice to show use with either "watches" or "clocks" in order to satisfy the use requirement for both.

Sharp Corporation also maintained that its sale of "talking clocks" established use for both watches and clocks due to the fact that a talking clock was essentially a clock with an added function.

The requesting party argued that use of the mark as it pertained to electronic products which measure and indicate time but are neither "watches" or "clocks" is not relevant because consumers understand "watches" and "clocks" to be independent products which do not form part of a larger whole such as a microwave oven or calculator.

The Registrar classified the various electronic products listed in Sharp Corporation's affidavit as wares which included a clock function, and therefore the use of the mark in conjunction with said wares did not qualify as use with either "watches" or "clocks".

As to claim that it would suffice to show use for either watches or clocks, the Registrar, in agreeing with the requesting party, concluded that although watches and clocks both fall under the heading of timepieces or horological instruments, dictionary definitions for the two terms indicate that they each are separate items and therefore, based on the Federal Court of Appeal's decision in *John Labatt Ltd. v. Rainier Brewing Co.*, (1984), 80 C.P.R. (2d) 288., use for each item must be shown in order for the registration to be maintained.

By applying this type of item by item approach, the Registrar found no evidence of use with regard to watches and did not consider the sale of talking clocks as relevant to the issue of clocks. The Registrar accepted the requesting party's argument that if clocks and talking clocks were not treated as mutually exclusive products, one of these two items would be superfluous. In keeping with this line of reasoning, the Registrar decided that the presence of both "clocks" and "talking clocks" in the list of wares indicates that the intention was to make a distinction between these two products and therefore the use of the mark for "talking clocks" did not benefit "clocks".

This very literal interpretation of wares and services lists which prevails in Canadian trade-mark decisions should provide ample incentive for those who prepare these lists to invest the time and effort required to insure that they be accurate and complete.

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