NOTION OF "SERVICES" MUST RECEIVE BROAD INTERPRETATION, FEDERAL COURT RULES IN SUMMARY TRADE-MARK EXPUNGEMENT CASE

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A recent decision of the Trial Division of the Federal Court of Canada confirmed that the concept of "services" in relation to trade-mark use, mentioned in Canada's *Trade-marks Act*, R.S.C., 1985 c. T-13, must be liberally interpreted (*Renaud Cointreau & Cie* vs *Cordon Bleu International Ltd.*, T-972-93, June 16, 2000 (Federal Court, Trial Division, Tremblay-Lamer, J.)).

Respondent Cordon Bleu International Ltd. is a Canadian corporation involved in the preparation and sale of various food products under the trade-mark CORDON BLEU in Canada and elsewhere. It is also the registered owner of the trade-mark CORDON BLEU, Canadian registration secured in 1975 under no. TMA 204,269, for the following services: "recipes, suggestions and other instructive matter printed on the food product labels, said printed matter being applicable to the preparation, the cooking and/or improvement of said food products". In 1988, under Canada's summary trade-mark expungement proceedings outlined at section 45 of the *Trade-marks Act* ("section 45 proceedings"), Appellant Renaud Cointreau & Cie asked Canada's Registrar of Trade-marks to issue a notice to Cordon Bleu International Ltd. requesting that the latter furnish an affidavit or statutory declaration showing with respect of the services specified in registration TMA 204,269, whether the trade-mark was in use at that time in Canada, and if not, the date when it was last so in use and the reason for the absence of such use since that date. The Registrar issued the section 45 notice on October 12, 1988.

In response to the notice, Cordon Bleu International Ltd.'s president filed an affidavit before the Registrar explaining that the trade-mark CORDON BLEU was used in Canada in the normal course of trade in association with the services mentioned in the registration. In order to describe the use made, the Respondent's president submitted a sampling of food product labels showing the trade-mark CORDON BLEU in association with recipes, suggestions and

other instructive matter. The Respondent's president also submitted copies of invoices evidencing the sale of the products with labels offering recipes or suggestions under the trade-mark CORDON BLEU.

In a decision rendered on March 1st, 1993, the Registrar concluded that the trade-mark was in use in association with the services mentioned in the registration and consequently ordered that the trade-mark remain on the register.

Renaud Cointreau & Cie appealed the Registrar's decision to the Trial Division of the Federal Court. In an order handed down on June 16, 2000, Madame Justice Tremblay-Lamer confirmed the Registrar's decision and rejected the Appellant's appeal.

In dismissing the appeal, the Court noted that the purpose of section 45 proceedings is to provide a summary procedure whereby the register can be cleared of trade-marks which have fallen into disuse (see *Re*: *Wolfville Holland Bakery Ltd.* (1964), 42 C.P.R. 88, Ex. Ct.). Quoting from *Meredith and Finlayson* vs *Canada (Registrar of Trade-marks)* (1991), 40 C.P.R. (3d) 409, the Court noted that "section 45 provides a simple and expeditious method of removing from the register marks which have fallen into disuse. It is not intended to provide an alternative to the usual *inter partes* attack on a trade-mark envisaged by section 57. The fact that an applicant under section 45 is not even required to have an interest in the matter … speaks eloquently to the *public* nature of the concerns the section is designed to protect".

Subsection 4(2) of Canada's *Trade-marks Act* defines that a trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services. Before the Court, Appellant argued that Respondent was not performing services of supplying recipes under the trade-mark CORDON BLEU but that it was only selling food products under that trade-mark. In other words, according to the Appellant, the Respondent was not executing any service but was simply selling products.

The Court dismissed this argument noting that the concept of "services" in the *Trade-marks Act* was not defined. In such a case, nothing justified giving the word "services" a restrictive definition and the Court agreed with the statement of Mr. Justice Dubé in *Hartco Enterprises Inc.* vs *Spectrum Inc.* (1989) 24 C.P.R. (3d) 223 (F.C.T.D.) where the Court indicated that the word "services" for the purposes of subsection 4(2) of the *Act* must be given a liberal and broad interpretation and is not objectionable if merely incidental or ancillary to the sale of goods.

In the case before the Court, the drafting of the description of the services in registration TMA 204,269 clearly mentioned that the services of recipes and suggestions were printed on the food product labels. Since it was impossible to disassociate the sale of products from the supplying of services, the filing of food product labels bearing the trade-mark, in association with the recipes, suggestions and other instructive matter was considered acceptable evidence to meet the requirements of the *Act*.

On the issue of the services offered by the Respondent, the Court noted that the Appellant appeared to question the validity of the registration *per se* rather than the evidence of use forwarded by the Respondent. In dismissing the appeal, the Court reminded the parties that summary expungement proceedings are not the appropriate forum to discuss the validity of a trade-mark. Though the services might appear unusual, the evidence of use met the description of the services mentioned in the registration and that was all that was required.

The Court's decision confirms that no restrictions should be put on the concept of "services", whether these services are merely incidental or ancillary to the sale of goods or not, in order for these to be recognized as "services" under the *Trade-marks Act*. However, if there is to be trade-mark use in association with services, the trade-mark must be displayed in the performance of these services, as required under the *Act*.

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