

PREVIOUS TRADE-MARK USE TRUMPS REGISTRATION, RULES CANADA'S FEDERAL COURT IN *KIMBO* CASE

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Cafe' Do Brasil, S.p.A. successfully obtained before Canada's Federal Court an order expunging the trade-mark *KIMBO* & Design standing in the name of Walong Marketing Inc., notwithstanding the fact that its own registration for a similar trade-mark was expunged in summary proceedings brought about by Walong Marketing Inc. (*Cafe' Do Brasil, S.p.A. v. Walong Marketing Inc.*, 2006 FC 1063 (F.C., Mactavish, J., September 5, 2006)).

On December 14, 1990, Italian coffee manufacturer Cafe' Do Brasil, S.p.A. (hereafter "Cafe' Do Brasil") secured registration in Canada of its "KIMBO" trade-mark for use in association with various food products including coffee, tea, rice, vinegar, sugar, salt and flour. Additionally, it distributed coffee products in association with its KIMBO trade-mark to its Canadian clients as early as 1992 and continuously sold these wares in Canada ever since.

On October 17, 2003, Cafe' Do Brasil sought to expand its 1990 registration by filing an application to add on electric coffee makers and other household appliances to its food products already protected. In May 2004, the Canadian Trade-marks Office objected to Cafe' Do Brasil's 2003 application to expand the 1990 registration on the basis of another registration for a KIMBO-type trade-mark standing in the name of Walong Marketing Inc. (hereafter "Walong Marketing"). Secured on November 28, 2000 further to a filing made on June 29, 1998, this registration covered various food products including some that were identical to the ones covered by Cafe' Do Brasil's registration; its owner alleged use of its trade-mark in Canada since 1995.

When it inquired how Walong Marketing could be the current registered owner of a KIMBO-type trade-mark, Cafe' Do Brasil discovered to its surprise that on April 28, 1999 one of Walong Marketing's predecessor had initiated

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summary expungement proceedings under section 45 of Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13 against Cafe' Do Brasil's 1990 registration. Section 45 is the «use it or lose it» provision of the *Trade-marks Act*. It calls for a summary procedure whereby the Registrar issues a notice requesting that a registered trade-mark owner furnish evidence of use of its trade-mark, failing which the registration will be expunged.

However, according to Cafe' Do Brasil, it never received the April 28, 1999 notice under section 45 and it was consequently not aware that summary expungement proceedings before the Registrar had been initiated against its 1990 registration. More importantly, and unbeknownst to Cafe' Do Brasil, its registration was expunged on February 1, 2000 permitting thereafter Walong Marketing to register its own KIMBO trade-mark for food products in Canada.

With its request under section 57 of the *Trade-marks Act*, Cafe' Do Brasil, brought an application before the Federal Court for an order striking out Walong Marketing's trade-mark registration. In its application, Cafe' Do Brasil faced a potentially important hurdle: Was it precluded from bringing its application by operation of subsection 57(2) of the *Trade-marks Act* which provides: "No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal"?

In other words, under subsection 57(2), a party cannot challenge a registration before the Federal Court if it has left unchallenged a decision from the Registrar which deals with the merits of any issue it wishes to bring before the Federal Court. Was this the case with Cafe' Do Brasil's application?

Madam Justice Mactavish considered the evidence filed and was satisfied that through no fault on the part of the Registrar of Trade-marks, Cafe' Do Brasil did not have actual notice of the summary expungement proceedings prior to having learned that its 1990 registration was expunged, in May 2004 when it became aware of Walong Marketing's own registration. She wrote: "Not only is Cafe' Do Brasil's evidence as to its lack of knowledge completely unchallenged, the evidence before this Court also clearly demonstrates the continued use of the KIMBO mark in Canada by Cafe' Do Brasil during the three year period immediately preceding the section 45 notice. Presumably, this evidence would have been readily available to Cafe' Do Brasil at the time that the expungement proceedings were initiated. Given its continuing interest in the mark, it simply does not make sense that Cafe' Do Brasil would have allowed its mark to be expunged, had it been aware of the expungement proceedings."

Having overcome this preliminary hurdle, the Court concluded that under subsections 18(1) and 16(1)(a) of the *Trade-marks Act*, Cafe' Do Brasil was able to establish use of its trade-mark prior to any use carried out by Walong Marketing or its predecessor. Considering that both trade-marks were confusingly similar in that they resembled each other and were associated with similar, and in some cases, identical products, the Court allowed Cafe' Do Brasil's application and ordered the expungement of Walong Marketing's registration.

This case illustrates, yet again, that registration is only supportive of use and that, as a general rule, a previous user of a trade-mark is entitled to registration. Of course, absent any appeal to the Federal Court of Appeal, the expungement of Walong Marketing's registration will not dispense Cafe' Do Brasil from requesting registration of its own KIMBO trade-mark should it wish to reclaim its title of registered trade-mark owner.

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