

EXPUNGEMENT OF A TRADE-MARK REGISTRATION AND PRIOR USE

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Fouad Kelendji v. Diplomat Fullhalter Gasellschaft Kurz & Rauchle GMBH & Co. KG, 2002 FCA 480 (Federal Court of Appeal; coram : Décary, Létourneau, Nadon, J.A.)

On December 2nd, 2002, the Federal Court of Appeal overruled the trial judge's decision to maintain the registration of the mark DIPLOMAT and sent the matter back to the Trial Division for judgement.

Facts

Fouad Kelendji (the "Applicant") is the owner of the trade-mark DIPLOMATE, registered in February 1968, for watches, clocks, wrist watches and pen. In early 1988, the Applicant discovered that Diplomat Fullhalter Gasellschaft Kurz & Rauchle GMBH & Co. KG (the "Respondent") was distributing pens under the mark DIPLOMAT and sent it a cease and desist letter. In July 1989, after using its mark for more than five years, the Respondent filed an application to register the said mark. The Respondent's mark DIPLOMAT was registered in 1991.

The Applicant, by its motion filed in June 1997, asked the Court to expunge the registration of the trade-mark DIPLOMAT in association with "writing instruments, namely fountain pens, ball points, roller ball pens and mechanical pencils", based on its prior use and registration of the mark DIPLOMATE.

Federal Court, Trial Division

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The main issue before the trial judge is the application of section 17 of the *Trade-marks Act* (the “Act”), which reads as follows :

17. (1) (...)

(2) In proceedings commenced after the expiration of five years from the date of registration of a trade-mark or from July 1, 1954, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), *unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known.*

The Applicant’s notice of motion was filed over five years after the registration of the Respondent’s DIPLOMAT trade-mark. The trial judge also acknowledged that the evidence indicated that the Respondent commenced using its mark in May 1983 and that at that time, it was not aware that the Applicant had previously used the mark DIPLOMATE, and only learned of it in August 1988 when it received the cease and desist letter.

Consequently, the trial judge considered that the Applicant’s proceeding was prescribed pursuant to subsection 17(2) of the Act and ruled that the registration of the mark DIPLOMAT could not be expunged or amended or held invalid on the ground of the previous use of the DIPLOMATE trade-mark.

Federal Court of Appeal

(There is no appeal of the trial judge’s conclusion regarding the prescription of subsection 17(2) of the Act.)

However, the trial judge did not deal with the ground of expungement described at paragraph 18(1)a) of the Act, namely that the registration of the DIPLOMAT trade-mark is invalid since it was not registrable at the date of registration. Since this ground is not subject to the previously mentioned five year prescription, the trial judge had the obligation to examine it. The matter will consequently be re-examined by the Trial Division.

As to the ground described at paragraph 18(1)b) of the Act, namely that the registration of the DIPLOMAT trade-mark is invalid because it is not distinctive at the time proceedings bringing the validity of the registration into question are commenced, the Applicant will have the opportunity to amend its motion and allege said ground of expungement.

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