

LE REGISTRAIRE DES MARQUES DE COMMERCE THE REGISTRAR OF TRADE-MARKS

Citation: 2012 TMOB 239 Date of Decision: 2012-12-04

IN THE MATTER OF A SECTION 45 PROCEEDING requested by 1686808 Ontario Inc. against registration No. TMA358,139 for the certification mark NAPA in the name of National Automotive Parts Association

- [1] On August 25, 2010, at the request of 1686808 Ontario Inc. (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) to National Automotive Parts Association, the registered owner (the Registrant) of registration No. TMA358,139 for the certification mark NAPA (the Mark).
- [2] The Mark is registered in association with the following wares and services:

Wares:

(1) Motor vehicle parts and accessories namely motor mounts; automatic transmission parts, transmission mounts; bearings; belts and hose; spark plugs; disc pads and disc brakes, brake shoes and brake shoe sets, brake parts, calipers; electric storage batteries; clutch parts, gear shift repair parts, gear shift lever repair kits, gear shift lever bushings; pedal pads; floor shift kits; master cylinders; universal joints, combination joints, center yokes, power take offs; tire hardware, namely valves, valve caps and valve extensions, spare tire hold-down nuts; thermostats and thermostat gaskets; tachometers and gauges; propeller shaft bearing cushions; air conditioner parts; power steering pumps, power steering gears, power steering controls, power steering hoses, power steering valves and cylinders; electric fuel pumps; fuel pump push rods; oil pumps and parts therefor; oil seals, transmission seals, pinion seals, wheel seals; core plugs; cooling systems and parts therefor; exhaust pipes, exhaust extensions, mufflers, tail pipes, clamps, straps, hangers and brackets for connecting and mounting exhaust systems, exhaust repair kits; electrical system parts namely regulators, alternators, starter drives, starter drive parts, starters, starter repair kits, generators, generator repair kits, solenoids, armatures, rotors and stators; chassis parts, namely ball joints, king bolt sets, axle nuts, wheel suspension kits and sets,

suspension bushings, shock absorber accessories, shock absorber bushings, shock mounting kits, strut bumper and boot kits; tie rod ends, steering links, steering parts, steering bushings; stabilizer parts, stabilizer link bushings, stabilizer repair kits; spring shackles, spring silencers and clamps, bolts and bushings and coil springs; engine kits, engine parts namely valves, valve springs, valve spring shims, valve lifters, valve gauges, rocker arms, rocker arm parts; rocker arm assemblies, rocker arm shafts, rocker arm cover springs, push rods, valve seals, roto mechanisms, roto cap assemblies, valve spring retainers, valve locks, cylinder head shim kits, valve guides, valve seat inserts, distributor gear and pin kits, expansion plugs, piston pins, piston pin bushings, cylinder sleeve insert rings, pistons, sleeves, sleeve assemblies, water pumps, camshafts, timing gears, timing belts, timing chains, timing chain tensioners, transmission drive chains, timing sets and timing chain sprockets, fan blades; filters, filter assemblies, adaptors, breathers, conversion kits, flexible oil lines and gaskets; mirrors and brackets; windshield products, namely, windshield washer pumps, windshield washer repair parts, windshield repair kits, wiper motors, washer kits, hoses, arms, blades, refills, fittings and wiper motors; connecting rod parts; flywheel gears and flywheel gear parts; case studs; bearing shims; crank-shaft parts; manifold nuts; heat risers; harmonic balancer sleeves; engine heaters, heater valves and fittings; gas caps, radiator caps, oil filler caps and exhaust weather caps; general purpose springs, pull springs, spring u-bolts, accelerator cables and springs; window lift gear kits, window regulator rollers; battery trays and hold-downs, battery accessories, battery system connections and converters, battery repair kits; boosters and stabilizers; heater cores; torque converters; governor repair kits; choke tube repair kits; choke conversion kits; control cables; mast jacket bearings; horn plate buttons; mud flaps; carriers and parts, ropes, straps, fasteners; drop cords; plow bolts and nuts; customizing accessories, hubs, cigarette lighters and accessories therefor; hood latches, certificate holders, license plate accessories, steering wheel covers, vent shades, body hardware.

- (2) Small electrical motors.
- (3) Antifreeze, windshield washer solvent, lock de-icer, methyl hydrate, refrigerant, dry gas, hydraulic jack oil, lubricants, sealers, sealants, tire repair compounds, undercoating, battery terminal protector, valve grinding compounds; silicone gasket makers, gasket removers; gasket cements, plastic rubber compounds, weather strip cement, bumper repair and bumper adhesive compounds; paints, coatings, lacquers, shellacs, enamels and finishes, paint thinners, spray paints and aerosol pump/cans, reducers, paint brushes, tack rags, body filler, mending compounds, putties, paint remover additive, rust remover, cleaning and polishing supplies, abrasives, tapes and adhesives, vinyl repair kits, decal remover, cleaning compounds, fibreglass repair kits, fibreglass repair matting; fibreglass repair hardeners and resin; air fresheners; rubber lubricant, auto belt dressing, ignition and battery sealers, battery cleaners, gasket sealers, windshield sealer, epoxy cements, copper and vinyl adhesives, adhesive sealant, epoxy steel, liquid steel, liquid solder, plastic aluminum, lubricant compound, lock ease, industrial sealants, rear view window adhesive, gas tank sealers, hand cleaners.
- (4) Lighting equipment namely, clearance and marker lenses, spotlights, lamps, clearance lamps, interior lenses/lights, turning signals, parking and turn signal lenses, side marker lenses, stop and tail light lenses, clearance lamp assemblies, lamp guards, license lamp assemblies, parking and turn signal lamp assemblies, stop and tail light assemblies, headlight accessories, lighting kits.

- (5) Tire gauges, tire valve tools, tire pumps, blow guns, air chucks, welding equipment and parts thereof, propane torches and accessories therefor, couplers steel tubing, adaptors, lubricators, greasing equipment and greasing accessories, brake tools, clutch tools, rebuild and service kits for universal joints, oil seal merchandizers, oil analysis kits, testing equipment, plastic spray bottles, battery chargers, automobile tools and tool kits, calipers, padlocks, key rings, snow brushes and scrapers, towing equipment, cable hoists.
- (6) Service station equipment and supplies, namely peg board hooks, garage exhaust hose, vehicle test equipment, grease guns, grease equipment and replacement fittings, lubricants, headlight testing equipment, anti-freeze and battery testers; plug guns and cements; roller creepers, funnels, can spouts, radiator fillers, driveway signal bells, air hose, air tanks and kits, fender covers, jack stands, thread repair items, grinding wheels, scrapers, exhaust adaptors and couplers, alignment gauges and shims, air duct and defroster hose.
- (7) Safety equipment namely, flashers, reflectors, fire extinguishers, wire kits, warning devices, markers, signs, flags, portable lights, ear plugs, hearing protectors.
- (8) Accessories for use in association with boats and recreational vehicles namely replacement horns, replacement numbers and letters, battery boxes, anchor tie downs, steering wheels, fibreglass fans, oscillating fans, transmission coolers, trailer hitches and replacement balls and couplers.
- (9) Motorcycle filters, lenses, mirrors, repair books and gauges.
- (10) Semi-pneumatic wheels and replacement wheels for lawn mowers and the like.

Services:

- (1) Operation of distribution centre for automotive parts.
- [3] Section 45 of the Act requires the registered owner of the trade-mark to show, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of use since that date. In this case, the relevant period for showing use is any time between August 25, 2007 and August 25, 2010 (the Relevant Period).
- [4] The relevant definition of "use" in the instant case is set out in subsections 4(1) and (2) of the Act:
 - 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.
 - (2) 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.

[5] Section 2 of the Act defines a certification mark as follows:

- "certification mark" means a mark that is used for the purpose of distinguishing or so as to distinguish wares or services that are of a defined standard with respect to
- (a) the character or quality of the wares or services,
- (b) the working conditions under which the wares have been produced or the services performed
- (c) the class of persons by whom the wares have been produced or the services performed, or
- (*d*) the area within which the wares have been produced or the services performed, from wares or services that are not of that defined standard.
- [6] In addition, subsections 23(1) and (2) of the Act provide as follows:
 - (1) A certification mark may be adopted and registered only by a person who is not engaged in the manufacture, sale, leasing or hiring of wares or the performance of services such as those in association with which the certification mark is used.
 - (2) The owner of a certification mark may license others to use the mark in association with wares or services that meet the defined standard, and the use of the mark accordingly shall be deemed to be use thereof by the owner.
- [7] Therefore, it is clear that the owner of a certification mark cannot use the mark in association with the wares and services covered by the registration. Furthermore, the owner may license others to use the mark in association with wares and services that meet the defined standard (subsection 23(2)). In this case, the defined standard in relation to the Mark is set out in the registration as follows:

That the wares have been manufactured, processed and packaged to a standard of quality which is approved by the applicant and which by agreement may be confirmed by the applicant through observation of the manufacture, processing and packaging and inspection and testing of the wares of the licensee upon which the certification mark is or is to be applied. That services conform to a standard of quality which is approved by the applicant and which by agreement may be confirmed by inspection by the applicant of the premises and the operations of the licensee with respect to which the certification mak [sic] is used.

[8] In response to the Registrar's notice, the Registrant filed two affidavits, namely one of Robert J. Susor, President of the Registrant, sworn March 22, 2011, and one of Frank Pipito, Vice-President Finance, and Secretary, and also a member of the Board of directors of UAP Inc. Neither party filed written representations or requested an oral hearing.

- [9] In his affidavit, Mr. Susor states that he is responsible for overseeing all operations of the Registrant and that he participates in the Registrant's strategy sessions, defines national strategies and objectives, and oversees execution and results. [paragraphs 2 and 3 of his affidavit]
- [10] Mr. Susor then provides some background information on the Registrant. He explains that the Registrant was founded more than 80 years ago to meet America's growing need for an effective auto parts distribution system and has been the industry leader ever since. He further explains that the Registrant is not engaged in the actual manufacture, sales, leasing or hiring of the Wares or the performance of the Services in association with the Mark. [paragraphs 4 to 6 of his affidavit]
- [11] Mr. Susor goes on to explain how the Mark is used in Canada. He states that the use of the Mark is made pursuant to a license agreement dated August 13, 1990 (the License Agreement) whereby the Registrant licences UAP Inc. (the Licensee) to sell and distribute automotive parts and equipment, car care products, and tools for servicing and repairing vehicles and equipment, which use is made by the Licensee in association with the Wares and Services. He further states that pursuant to the License Agreement, the Licensee has used the Mark in Canada during the Relevant Period in association with the Wares and Services. [paragraphs 7 and 8 of his affidavit]
- [12] Mr. Susor states that the Registrant controls the use of the Mark by the Licensee. He states that the Registrant has in place in Canada quality control and quality assurance procedures to ensure that the use of the Mark by the Licensee conforms to the standards defined by the Registrant in relation to the character and quality of the Wares and Services commercialised by the Licensee in Canada in association with the Mark. He further states that the Licensee has the obligation, among others, to manufacture, have manufactured, sell and distribute products that are in compliance with all applicable laws, regulations, guidelines, and industry standards in the field of automotive industries. [paragraphs 9 and 10 of his affidavit]
- [13] Turning to the Pipito affidavit, Mr. Pipito states that he is responsible for the Licensee's financial reporting and that he is a member of the various management committees established by the Licensee. As such, he participates in the Licensee's strategic sessions and, in collaboration

with other executives of the Licensee, defines national strategies and objectives, and oversees execution and results. [paragraphs 2 and 3 of his affidavit]

- [14] Mr. Pipito then provides some background information on the Licensee. He explains that the Licensee was founded in 1926 and is a Canadian leader in the distribution and merchandising of automotive parts and replacement accessories for cars, light trucks and heavy vehicles. The Licensee has a network of approximately 600 NAPA stores throughout Canada, which stores are operated on a corporate basis or through associates, and offers over 375,000 quality parts for all types of automotive applications, as well as quality tools and accessories for all types of needs. [paragraph 4 of his affidavit].
- [15] Mr. Pipito then turns to the licensed use of the Mark [paragraphs 5 to 10 of his affidavit]. In addition to corroborating the same information that was provided by Mr. Susor with respect to the License Agreement entered into between the Registrant and UAP Inc., Mr. Pipito states that the Mark was used in Canada during the Relevant Period by the Licensee in association with the Wares and Services and continues to be used in more than 600 locations. In support of his assertions of use, Mr. Pipito provides the following exhibits:
 - "Schedule 2" that consists of voluminous reports extracted from the Licensee's accounting system, which show transactions that occurred in Canada with third parties during the Relevant Period in connection with Wares sold under the Mark. More particularly, Schedule 2 comprises six reports from the Licensee's accounting system, namely (i) a report illustrating the sales of the Wares made out of the Licensee's Toronto Distribution Centre during the month of November 2007; (ii) a report illustrating the sales of the Wares made out of the Licensee's Toronto Distribution Centre during the month of April 2008; (iii) a report illustrating the sales of the Wares made out of the Licensee's Winnipeg Distribution Centre during the month of April 2008; (iv) a report illustrating the sales of the Wares made out of the Licensee's Vancouver Distribution Centre during the month of April 2009; and (vi) a report illustrating the sales of the Wares made out of the Licensee's Toronto Distribution Centre during the month of April 2009; and (vi) a report illustrating the sales of the Wares made out of the Licensee's Toronto Distribution Centre during the month of April 2010. Mr. Pipito states that similar reports

may be extracted from the Licensee's accounting system in respect of all eight Distribution Centres of the Licensee in Canada for each month comprised in the Relevant Period [paragraphs 11 to 13 of his affidavit];

- "Schedule 3" that consists of a CD-ROM containing additional reports from the Licensee's accounting system for the months of November 2007, April 2008, April 2009 and April 2010 of the Licensee's Montreal Distribution Centre. Mr. Pipito explains that these reports show several other transactions in relation to the Wares that occurred in Canada in the normal course of trade between the Licensee and third parties during the Relevant Period [paragraph 14 of his affidavit];
- "Schedule 4" that consists of a voluminous bundle of copies of certain invoices extracted from the Licensee's accounting system and referred to in the reports attached as Schedule 2, which Mr. Pipito attests are representative only of the Licensee's millions of transactions annually involving the Wares [paragraphs 15 to 17 of his affidavit];
- "Schedule 5" that consists of a 10 page document entitled "Product Lines". Mr. Pipito explains that the Wares are classified under different product lines. More particularly, Schedule 5 provides a description of the Wares branded under the Mark under the column "Family Description" [paragraph 17 of his affidavit];
- "Schedule 6" that consists of a voluminous bundle of pictures of packaging and labels specimens of the Wares, as used by the Licensee in the normal course of trade, and prominently displaying the Mark [paragraphs 19 to 21 of his affidavit]; and
- "Schedule 7" that consists of voluminous specimens of catalogues produced by the Licensee for the purpose of marketing and advertising the Wares and Services associated with the Mark. Mr. Pipito attests that these catalogues have been issued in the Relevant Period and show in a predominant manner the use made of the Mark in Canada and that they clearly demonstrate that the Mark is used in Canada in association with the Wares and Services. Mr. Pipito further states that these catalogues are representative only of the Licensee's numerous promotional flyers and catalogues and that the Licensee's archives

and files contain numerous catalogues with hundreds of thousands of pages aimed at advertising and offering the Wares and Services [paragraphs 22 to 24 of his affidavit].

[16] Mr. Pipito then concludes his affidavit stating that the Mark is an important asset for the Licensee.

[17] In view of the foregoing, I am satisfied that the Registrant has evidenced use of the Mark as a certification mark in association with all of the registered Wares and Services during the Relevant Period. Indeed, the use of the Mark made by the Licensee pursuant to the License Agreement during the Relevant Period accrues to the benefit of the Registrant pursuant to section 50(1) of the Act. The various exhibits attached to the Pipito affidavit complete one another and together unequivocally show use of the Mark in association with the registered Wares and Services in Canada during the Relevant Period. The Mark is clearly affixed to the Wares or displayed on the packaging thereof and is further shown in the advertising of the Services. In view of the voluminous evidence and the corresponding assertions of use in the affidavits, and in the absence of any representations made by the Requesting Party, I do not find it necessary to review each and every ware as it is listed in the registration. Suffice it to say that I am satisfied from my overall review of the Pipito affidavit that the Mark has been used in association with each of the Wares (1) to (10) listed in the registration, or that such use can reasonably be inferred [see Saks & Co v Registrar of Trade Marks (1989), 24 CPR (3d) 49 (FCTD)].

[18] Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be maintained in compliance with the provisions of section 45 of the Act.

Annie Robitaille Member Trade-marks Opposition Board Canadian Intellectual Property Office