

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

> Citation: 2013 TMOB 204 Date of Decision: 2013-11-27

## IN THE MATTER OF A SECTION 45 PROCEEDING requested by Chitiz Pathak LLP against registration No. TMA317,735 for the trade-mark MICROSONIC in the name of Hyde Park Electronics LLC

At the request of Chitiz Pathak LLP (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on June 14, 2011 to Hyde Park Electronics LLC (the Registrant), the registered owner of registration No. TMA317,735 for the trade-mark MICROSONIC (the Mark).

[2] The Mark is registered for use in association with the wares "ultrasonic detection probes for industrial use".

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified in the registration at any time within 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 such use since that date. In this case, the relevant period for showing use is between June 14, 2008 and June 14, 2011.

[4] The relevant definition of "use" is set out in section 4(1) 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.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for removing "deadwood" from the register and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)].

[6] In response to the Registrar's notice, the Registrant furnished the affidavit of Stephen Geissler, Associate General Counsel - Chief IP Counsel of the North American division of Schneider Electric, sworn on January 9, 2012. Both parties filed written representations; an oral hearing was not held.

[7] In his affidavit, Mr. Geissler attests that the Registrant is a Delaware limited liability company "engaged in the sale of ultrasonic sensors in the United States, Canada, and worldwide". He attests that, during the relevant period, the Mark was used in association with the wares by the Registrant and under license by Schneider Electric, explaining that the Registrant is a wholly owned subsidiary and division of Schneider Electric. He further attests that sales of the wares have taken place in Canada since "at least as early as February 1980" and that such sales are estimated to range between US\$10,000 to US\$15,000 annually from 2007 to the present.

[8] Mr. Geissler explains that the Registrant's distributor in Canada for the wares is Chartwell Automation, Inc. As evidence of the Registrant's relationship with Chartwell, Mr. Geissler provides Exhibit E to his affidavit, which consists of a printout showing Chartwell's contact information available on Schneider Electric's website *www.sesensors.com*, and Exhibit F, which consists of a printout from Chartwell's website *www.chartwell.ca* showing references to the Registrant and a link to Schneider Electric's website.

[9] With respect to the nature of the wares, Mr. Geissler explains that although the wares are registered as "probes", they are identified as "sensors" in the product literature and that these terms are considered to be interchangeable and recognized as meaning the same thing in the industry to describe devices or products used to detect objects.

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[10] In support of his assertion of use of the Mark in association with the wares during the relevant period, Mr. Geissler provides the following exhibits:

- Exhibit A consists of copies of pages from Schneider Electric's *Ultrasonic Sensors Catalog* from 2011, which Mr. Geissler attests was used to promote the Registrant's MICROSONIC products during the relevant period. I note that the Mark is prominently displayed throughout the catalogue, including next to depictions of the sensors and in product descriptions. In particular, the Mark is displayed on the casing of the sensors themselves, as shown in the catalogue.
- Exhibit B includes copies of invoices dated from within the relevant period, which Mr. Geissler attests are representative of invoices documenting sales of MICROSONIC products in Canada. The invoices are from Schneider Electric to Chartwell and list several types of "Microsonic" sensors in the product descriptions. The descriptions include product codes, which correspond with product codes shown in the brochures attached at Exhibit C.
- Exhibit C consists of copies of several brochures and leaflets which Mr. Geissler attests are available online through Schneider Electric's website. The Mark is prominently displayed on the brochures and leaflets, including next to depictions of the sensors, in product descriptions and next to product codes.
- Exhibit D consists of a printout from Schneider Electric's website, dated during the relevant period. Mr. Geissler explains that the printout contains a list of product literature with respect to MICROSONIC sensors. The Mark is referenced throughout the exhibit.

[11] The Requesting Party challenges the sufficiency of the evidence as follows: first, that the Registrant provides no evidence to support the existence of a license agreement between the Registrant and Schneider Electric; second, that the evidence of use is not with respect to the wares as registered; and third, that the Registrant provides no evidence of sales in Canada by its distributor.

[12] With respect to the first issue, the Requesting Party submits that the Registrant asserts but does not provide sufficient evidence to prove the existence of a licensing agreement between the Registrant and Schneider Electric. In response, the Registrant submits that Mr. Geissler's affidavit clearly states that the Mark is used under license by Schneider Electric and further that a license does not need to be in writing [citing *Quarry Corp v Bacardi & Co* (1996), 72 CPR (3d) 25 (FCTD) and *Pitblado Buchwald Asper v 8 Hockey Ventures Inc* (2002), 25 CPR (4th) 71 (TMOB)].

[13] Indeed, it is well established that section 50(1) of the Act does not require a written license agreement to establish that a registered owner had the requisite direct or indirect control over the character or quality of the wares or services in question [see also *Wells' Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD)]. Bearing in mind the purpose of section 45 proceedings, based on Mr. Geissler's sworn statements regarding the relationship between the Registrant and Schneider Electric and the evidence of use discussed above, I am satisfied that this is a situation where it is reasonable to conclude that the Registrant had the requisite control pursuant to section 50 of the Act [see *Petro-Canada v 2946661 Canada Inc* (1999), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)*, 1999 CarswellNat 652 (FCA)].

[14] With respect to the second issue, the Requesting Party argues that, although the Registrant makes the assertion that the words "sensors" and "probes" are synonymous, the Registrant provides no evidence to support such statements. In response, the Registrant submits that the factual assertions set out in Mr. Geissler's affidavit are sufficient. As the Requesting Party provides no further submissions on this point, I see no reason not to take Mr. Geissler's statements at face value.

[15] In any event, I do note that the terms "sensors" and "probes" are both used in the exhibits provided by Mr. Geissler. For example, on pages 5-25 and 5-26 of the *Ultrasonic Sensors Catalog* at Exhibit A, it states in part: "Designed for extremely tight areas where it is either difficult or impossible to mount and use the SM100 series *sensors*, these remote *sensors* have right-angle style *probes* to further facilitate thru-beam setup and operation", and "With all circuitry compactly sealed in the stainless steel transmitter and receiver *probes*, the MICROSONIC® *sensors* boast a narrow constant, high-frequency sonic beam for high sensing

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resolution" (emphasis added). In view of Mr. Geissler's statements and the supporting exhibits, I agree with the Registrant that, in this case, the terms "sensors" and "probes" are interchangeable and that the evidence supports use of the Mark in association with the wares as registered.

[16] Lastly, the Requesting Party submits that all of the Exhibit B invoices are for sales of the wares from Schneider Electric to "one Canadian company, Chartwell Automation Inc". As "there is no evidence of any sale of the product under the Mark to customers in Canada by Chartwell", the Requesting Party submits that the Registrant's evidence is insufficient to demonstrate use of the Mark in Canada.

[17] However, it is well established that with respect to the "normal course of trade", section 4 of the Act contemplates a chain of transactions occurring between the manufacturer and the ultimate consumer, potentially involving various distributors, wholesalers and/or retailers. Further, if any part of this distribution chain occurs in Canada, this is generally sufficient to demonstrate "use" enuring to the benefit of the manufacturer [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 21 CPR (3d) 417 (FCA)]. In this case, Mr. Geissler adequately explains the Registrant's normal course of trade and provides sufficient evidence of sales and shipment of the wares to the Registrant's distributor, located in Canada.

[18] As such, and in view of all of the foregoing, I am satisfied that the Registrant has demonstrated use of the Mark in association with the wares during the relevant period within the meaning of sections 4 and 45 of the Act.

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

Andrew Bene Hearing Officer Trade-marks Opposition Board Canadian Intellectual Property Office