



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

Reference: 2014 TMOB 95
Date of Decision: 29/04/2014

TRADUCTION

**IN THE MATTER OF A SECTION 45 PROCEEDING,
requested by Stikeman Elliott LLP against Registration
No. TMA584,000 for the trade-mark SOL MAESTRO in
the name of 9105-8503 Québec Inc.**

[1] This decision relates to an expungement procedure against Registration No. TMA584,000 for the trade-mark SOL MAESTRO (the Mark) in association with: preselected music software and upgrades intended for businesses (the Software).

[2] In light of the evidence on file and for the reasons described below, I reach the conclusion that the evidence shows use of the Mark in Canada in association with the Software within the meaning of section 4(1) of the *Trade-marks Act* RSC 1985, ch T-13 (the Act) during the Relevant Period (as defined below).

The Procedure

[3] On March 22, 2012, at the request of Stikeman Elliott LLP. (the Requesting Party), the Registrar sent the notice stipulated in section 45 of the Act to 9105-8503 Québec Inc. (Québec Inc.), registered owner of the Mark.

[4] Section 45 of the Act requires Québec Inc. to show that it has used its Mark in Canada in association with the Software at any given time during the three years preceding the date of the notice or, if not, provide the date on which it was last used and the reason for its absence of use

since this date. The relevant period is therefore from 22/03/2009 to 22/03/2012 (the Relevant Period).

[5] The procedure pursuant to section 45 is simple and expeditious, and serves to clear “deadwood” from the register. Accordingly, the threshold to establish use of the Mark, within the meaning of section 4 of the Act, during the Relevant Period is not very high [see *Uvex Toko Canada Ltd v. Performance Apparel Corp* (2004), 31 CPR (4th) 270 (CF 1st inst.)].

[6] A simple assertion of use of the Mark in association with the Software is not sufficient to establish its use within the meaning of section 4 of the Act. There is no requirement to produce abundant evidence. However, any ambiguity in the evidence will be interpreted against Québec Inc.[see *Plough (Canada) Ltd v. Aerosol Fillers Inc* (1980) 53 CPR (4th) 62 (FCA)].

[7] In reply to the notice, Québec Inc. filed an affidavit by Alain Charette, its founding president and primary shareholder. The parties filed written representations. A hearing was not held.

The evidence

[8] Mr. Charette explains that Québec Inc.’s main activity is the distribution of preselected background music and monthly upgrades using the Software sold as part of the background music subscription contracts in association with the Mark.

[9] Mr. Charette claims that the Software gives Québec Inc. clients access to blocks of background music and monthly upgrades. Accordingly, by using the Software, Québec Inc.'s clients can play and control background music in their physical environment.

[10] Mr. Charette explains that Québec Inc.'s clients can purchase the Software in two ways: either they purchase a computer from Québec Inc. with the Software already loaded or they purchase a computer to exclusively dedicate to playing the said software, which they send to Québec Inc. for loading of the Software, following which this computer is returned to the client.

[11] Mr. Charette filed a photograph of a computer sold by Québec Inc. on which the Software was loaded. The SOL MAESTRO & Design trade-mark illustrated below can be seen on the computer.



He states that this photograph shows the computer in the exact condition it is given to the client.

[12] Mr. Charette appended to his affidavit a copy of the Software page that appears on screen when starting up the Software and on which can be seen the SOL MAESTRO & Design mark.

[13] Mr. Charette explains the Software is sold by way of a fixed-term contract for access to blocks of music. The contract covers the purchase of the Software in association with the Mark and its loading, following which the client can access blocks of music using an encoded key. He says that, in general, clients subscribe for a period of 36 months and are billed monthly or annually. He adds that the Software upgrades are done monthly, thereby giving clients automatic access to these upgrades using the encoded key.

[14] Mr. Charette claims that the Software also enables clients to access various functions that he explains. He filed a copy of the settings page and the screen background, both of which display the SOL MAESTRO & Design trade-mark.

[15] Regarding Québec Inc.'s business activities during the Relevant Period, Mr. Charette states that the Software and upgrades associated with the Mark have been the subject of regular sales and he filed a sample of bills and basic subscription contracts. To better define the Requesting Party's arguments, I should stress that

- the bills were issued by Solist Technologies;
- The bills are for a fixed-term subscription;

- Some bills refer to a ‘licence musicale-Maestro’ [TRANSLATION: Maestro music licence];
- The bills and the basic subscription contract display the SOL MAESTRO & Design mark with the mention ‘L’ambiance sensorielle’ [TRANSLATION: sensory ambiance];
- The basic subscription contract refers to a Software user licence;
- The basic subscription contract is between Québec Inc. and its client;
- Exhibit P-5b includes a ‘software sales contract’ for the Software in association with the Mark. However, the contract contains a clause in which the client acknowledges that Québec Inc. retains ownership of the Software.

[16] Mr. Charette states that the SOL MAESTRO reference appearing at the top left of the bills refers both to the Mark and to the company name Québec Inc. On this point, he filed an excerpt from the Registre des entreprises concerning Québec Inc. in which Mr. Charrette is designated as primary shareholder and president. Furthermore, SOL MEASTRO appears on the Registre as one of the other names used by Québec Inc.

[17] Regarding the mention Solist Technologies which appears on the bills, Mr. Charette states that it is the company name of Solist Inc., of which he states being the founding president and primary shareholder, the whole as it appears in the excerpt from the Registre des entreprises.

[18] Regarding the link that would appear to exist between Solist Inc. and Québec Inc., I hereby reproduce the content of paragraph 19 of his affidavit:

19. I confirm that as founding president, secretary and primary shareholder of [Québec Inc.] and Solist Inc. I personally and exclusively control these two companies and, more specifically, I confirm that [Québec Inc.] directly controls the characteristics and quality of the wares in relation to the Mark, the use, advertising and exposure made by Solist Inc. of the Mark and more specifically, I am the one who personally oversees use of the Mark by Solist Inc.

[19] Mr. Charette states that Québec Inc.'s clients are private businesses, such as financial institutions, sports centres, retail businesses, spas, entertainment centres, hotels, residences and restaurants.

[20] Lastly, Mr. Charette explains that advertising of the Software displaying the Mark and the upgrades are done via Québec Inc.'s website and he has appended to his affidavit a copy of the latter's home page. However, the home page filed is dated June 15, 2012, i.e. after the Relevant Period.

Analysis of the Requesting Party's arguments

[21] The Requesting Party raised three main arguments:

- 1) The mark used was not the Mark;
- 2) Québec Inc. did not use the Mark in association with the Software in Canada. If an entity can claim such use, it is Solist Inc. under its company name Solist Technologies;
- 3) The Mark was not used in association with the Software, but rather, in supposing there was a use, in association with services that are not covered by the registration.

The mark used

[22] The Requesting Party argues that the Mark is a vocal mark and is not the one used on the various exhibits filed by Mr. Charette. Accordingly, it claims that we will find in exhibits P-1, P-5 and P-8 the SOL MAESTRO & Design mark in which the red stylized 'M' in the word MAESTRO is the predominant element of the mark, the word SOL appears in a smaller font and is hidden directly beneath the red stylized 'M', and below the letters 'AESTRO' we find the slogan 'L'ambiance sensorielle'.

[23] According to the Requesting Party's claims, from the visual standpoint, the mark used would be 'M SOL AESTRO L'ambiance sensorielle' or 'MAESTRO SOL L'ambiance sensorielle'. Accordingly the mark used would not be the Mark.

[24] Québec Inc. sustains that the figurative appearance used does not negate use of its verbal form. It adds that all the characteristics of the verbal mark are present. Regarding use of the stylized form of the letter M, the layout of the words SOL and 'AESTRO' and the term 'ambiance sensorielle,' Québec Inc. refers to the case of *Nightingale Interloc v. Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB). In this decision, the registrar concluded that the addition of elements to a mark and the variations made to the registered mark do not necessarily lead to conclusions of an absence of use of the mark in its registered form.

[25] Québec Inc. sustains that the use of the Mark with the additional elements constitutes use of the mark if, as a first impression, the public is still able to perceive the Mark as such. Furthermore, in its opinion, the addition of more elements to the Mark is not viewed as a threat to its protection if the latter are not perceived as being part of the Mark. Québec Inc. sustains that notwithstanding the stylized presentation of the letter 'M,' the word MAESTRO is clearly recognizable in itself in the SOL MAESTRO mark.

[26] In regard to the presence of the 'L'ambiance sensorielle' portion, Québec Inc. argues that this is written in a different, smaller font to the rest of the Mark, and is purely descriptive. The addition of elements perceived by the consumer as purely descriptive would have no effect on altering the identity of the Mark.

[27] I find that the consumer can easily perceive the SOL MAESTRO sound element within the design mark reproduced above. The mention 'L'ambiance sensorielle' has no impact. The Mark has not lost its identity and has remained recognizable [see *Canada (Registrar of Trade-marks) v. Cie Internationale pour l'informatique CII Honeywell Bull, SA* (1985), CPR (3d) 523 (FCA)]. The mention 'L'ambiance sensorielle' can be perceived as a slogan or at most a trade-mark separate from the Mark. Accordingly, 'L'ambiance sensorielle' is unlikely to mislead or deceive the public, or harm it in any way whatsoever.

[28] Lastly, the Mark appears on the various contracts filed as exhibit P-5 displaying the titles: 'contrat de vente de logiciel' [TRANSLATION: Software sales contract], 'contrat Sol Maestro' [TRANSLATION: Sol Maestro contract], and 'contrat d'abonnement de base' [TRANSLATION: Basic subscription contract].

[29] I find, therefore, evidence of use of the Mark during the Relevant Period.

User of the Mark

[30] Concerning the user of the Mark, the Requesting Party claims that it is Solist Inc. and not Québec Inc. that used the Mark; as supported by the references to this entity or its company name Solist Technologies that we find in exhibits P-2, P-3, P5a-g and P-8. This is confirmed by Mr. Charette's admission in paragraph 19 of his affidavit reproduced above.

[31] The Requesting Party argues that pursuant to section 50 of the Act the only manner in which Québec Inc. could benefit from the use of the Mark by Solist Inc. is through implementation of a licence between Québec Inc. and Solist Inc. According to the Requesting Party, the absence of evidence on the existence of such a licence would be fatal for Québec Inc.

[32] However, Mr. Charette states, and excerpts from the Registre des entreprises provide confirmation, that he is president and primary shareholder of both entities. As stressed by Québec Inc. in its written representations, under such circumstances, the existence of a verbal or written licence can be presumed where the owner of the mark exercises direct or indirect control over the characteristics or quality of the wares displaying the mark [see *Lindy v. Canada (Registrar of Trade-marks)* 1999 CarswellNat 652 (FCA)].

[33] Furthermore, in our case, Mr. Charette states being not only the primary shareholder and president of Québec Inc and Solist Inc., but that he also personally oversees use of the Mark by the latter. Moreover, the contracts are signed with Québec Inc. In the circumstances, I find I can presume the existence of a licence concerning use of the Mark and that there is a control in place concerning use of the Mark. On this point, I refer to the decision in *Petro-Canada v. 2946661 Canada Inc* (1999), 83 CPR (3d) 129 (FCTD). Since this is a summary procedure, the sworn statement by Mr. Charette that he exercised control over use of the Mark is sufficient [see *Federated Department Stores Inc v. John Forsyth* (2000), 10 CPR (4th) 571 (TMOB)].

[34] Accordingly, I find that use of the Mark by Solist Inc. benefits Québec Inc., the whole as per the provisions of section 50 of the Act.

Mark used in association with the Software

[35] The Requesting Party sustains the evidence shows that the Mark has been used in association with the background music distribution services and for leasing or granting a licence for a software application giving third-parties access to background music, and not in association with the Software.

[36] The Requesting Party argues that the contracts filed by Mr. Charette clearly indicate that they are valid for a fixed period; that ownership of the Software remains at all times in the hands of Québec Inc., it being the sole owner of the basic hardware (which includes the Software by definition in the various contracts). Furthermore, the contracts contain a clause preventing the co-contractor from selling, assigning or transferring ownership of the Software or permitting use of the Software by a third-party.

[37] Therefore, according to the Requesting Party, the evidence filed does not make it possible to conclude use of the Mark in association with the Software within the meaning of section 4(1) of the Act.

[38] As stressed by Québec Inc., section 2 of the Act defines a trade-mark as being:

a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, by him from those manufactured, sold, leased, by others, (my underlining)

[39] The Legislator therefore anticipated the possibility of leasing the wares. In this case, there would be use of the mark in association with the leased wares within the meaning of section 4(1) of the Act.

[40] I am fully aware that the titles of some of the contracts filed as exhibit P-5 are not appropriate. However, the title does not dictate the nature of the contract. It is necessary to refer to the clauses of the contract to determine its nature. There is no doubt that the various contracts filed as exhibit P-5 are licence contracts to use the Software and not sales contracts in the proper meaning of the term.

[41] The contracts filed as exhibit P-5 all refer to the Mark. The computer loaded with the Software displays the Mark. When opening the Software, the image that appears on the computer screen displays the Mark. The bills filed display the SOL MAESTRO & Design mark, i.e. the Mark as I concluded above. The bills attest to the leasing of the Software.

[42] I fully agree with the comments of my colleague, Andrew Bene, in the case of *Fasken Martineau DuMoulin srl v. Open Solutions DTS Inc* 2013 TMOB 68 :

As indicated in *BMB Compuscience Canada Ltd v. Bramalea Ltd* (1988), 22 C.P.R. (3d) 561 (F.C. 1st inst.), This type of institutional software does not constitute a physical object, such that software companies are faced with unique difficulties when they try to associate a trade-mark with their software. In this case, however, the Mark appears on the licence contract which purchasers must read before loading the software and appears on the screen at the time of loading, as confirmed by the screenshots appended as exhibit F. Accordingly, I find that notice of association was given within the meaning of section 4(1) of the Act.

[43] In the circumstances, I find that the Mark had been used in Canada in association with the Software within the meaning of section 4(1) of the Act during the Relevant Period.

Decision

[44] In exercising the authority delegated to me pursuant to the provisions of section 63(3) of the Act, the registration will be maintained in compliance with the provisions of section 45 of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Alan Vickers
Traduction certifiée conforme