

SECTION 45 PROCEEDINGS
TRADE-MARK: INFINITY
REGISTRATION NO.: 503529

On March 4, 2005 at the request of Nissan Jidosha Kabushiki Kaisha (the “requesting party”), the Registrar forwarded a section 45 notice to MAAX Canada Inc., (the “registrant”) the registered owner of the trade-mark INFINITY (the “Mark”).

The Mark is registered for use in association with the following wares: outdoor spas (the “Wares”).

Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (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/or services listed on 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 use since that date. The relevant period in this case is any time between March 4, 2002 and March 4, 2005 (the “relevant period”).

In response to the notice, the affidavit of Patrice Hénaire together with exhibits PH-1 to PH-5 has been furnished. Both parties filed written submissions. No oral hearing was requested.

Mr. Hénaire described himself as the Vice-President Marketing, Sales and R&D of MAAX Corporation since 2004, which is the owner of the registrant’s shares. He was between 2000 and

2004 Vice-President Sales for MAAX Inc, the entity that owned, during such period, all the registrant's shares.

The holding company MAAX Corporation through its subsidiaries in Canada, the United States and Europe deals in the manufacturing and sale to consumers through a network of more than 3000 wholesalers, retailers and specialty boutiques, of various products including spas.

MAAX Spas (Ontario) Inc. and MAAX Spas (Arizona), Inc. are two subsidiaries of MAAX Corporation. Mr. Hénaire provides the sales figures in Canada for the fiscal period ending February 28, 2005. The affiant does not state if the amount represents only the sales of spas bearing the trade-mark INFINITY or any spas sold by those entities. There is some corporate information provided with respect to MAAX Spas (Ontario) Inc. that is not relevant to the issues raised in these proceedings by the requesting party. One of the key allegations contained in Mr. Hénaire's affidavit is hereinafter reproduced:

« 7. En tout temps, depuis 1994, la Titulaire [MAAX Canada Inc.] a exercé un contrôle direct sur les caractéristiques et la qualité des marchandises de MAAX Spas (Ontario) Inc., de même que l'emploi, la publicité et l'exposition de la marque de commerce INFINITI, qui a été utilisée au Canada par MAAX Spas (Ontario) Inc. uniquement avec l'autorisation de la Titulaire. »

The requesting party is taking the position that these statements are bald assertions. It argues further that there is no evidence of any written licence, any actual facts regarding how quality is controlled, or how standards are set. According to the requesting party "a bald allegation of

licensing should not satisfy the requirements of s. 50 of the Act as a necessary element of satisfying s. 45”.

Section 45 proceedings are simple and expeditious that serves the purpose of clearing the register of “deadwood” and as such the threshold test is quite low. [See *Smith Lyons v. Vertag Investments Ltd.* (2000), 7 C.P.R. (4th) 557]. It is well settled that the filing of a copy of the licence agreement is not mandatory as long as the evidence establishes that the registrant has the control over the quality and characteristics of the wares bearing the mark. [See *Gowling ,Strathy and Henderson v. Samsonite Corp.* (1996), 66 C.P.R. (3d) 560 and *Mantha & Associés/Associates v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354] Section 50(2) of the Act does not create an obligation of a public notice of the existence of a licence agreement. The registrant still has to prove that it controls the use of the Mark. The content of paragraph 7 reproduced hereinabove does enable me to make such conclusion especially in the context of a relationship between the registrant and a wholly owned subsidiary. [See *Metro-Goldwyn-Mayer Studios v. Zotos International Inc.* (2001) 16 C.P.R. (4th) 284]

Mr. Héraine does provide information on the use of the Mark during the relevant period and reference is made to paragraphs 10 to 12 of his affidavit. In paragraph 10 he explains how the Wares are sold to end users in some of the provinces in Canada. In paragraph 11 he states that over 5000 spas bearing the Mark were sold in Canada during the relevant period. In paragraph 11 he states that those sales amounted to over \$22 millions. Finally in paragraph 12, to support those allegations, he refers and filed samples of invoices, price lists used by retailers selling the Wares, promotional literature, extract of owner’s manual and a photocopy of the front panel of a spa on which appears the Mark.

The requesting party is of the opinion that the documentation filed casts doubt on the use of the Mark by the registrant during the relevant period for the reasons discussed hereinafter.

The first invoice predates the relevant period and as such could not sustain an allegation of use of the Mark during that time. Moreover it appears to have been issued by a third party, namely Acryx Industries Inc. We have no information on the possible relationship between that entity and the registrant. The other invoices do not contain any reference to the Mark. However the Mark does not need to appear on an invoice to establish the sale of a spa bearing the Mark. The affidavit must be read as a whole and not dissected into various elements like the requesting party is inviting the Registrar to do.

The requesting party is arguing that the price lists are dated in December 2001, which is prior to the relevant period. It further alleges that the affiant failed to state that those price lists were in effect during the relevant period. A fair reading of the price lists filed reveals that the mention "2002 NET PRICES" appears in bold block letters at the central top portion of the documents. Therefore it was not necessary for the affiant to repeat such mention in his affidavit as the document speaks for itself.

The promotional documents do not constitute evidence of use of the Mark in association with Wares. However it could be used to demonstrate that Wares were in fact offered for sale during the relevant period. These documents coupled with the price lists and the statements made by

Mr. Héraine that spas bearing the Mark were sold during the relevant period constitute sufficient evidence to meet the test set forth above under s. 45 proceedings.

Finally the requesting party is questioning the legitimacy of the control panel overlay on which appears the Mark. It takes the position that it appears to be hand-drawn and very unprofessional. If one compares the picture of the control panel appearing in the brochure PH-4 and the photocopy of the control panel filed as exhibit PH-5 it is obvious that the symbols used to inform the spa's users of the various options available consist of hand-drawn sketches that gives a unique look to such control panel. Those hand-drawn sketches are also reproduced as overprint on various pages of the brochure PH-3.

As stated in *Lewis, Thomson and Sons Ltd. v. Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483, by Mr. Justice Strayer:

I am not prepared to find, as the respondent has suggested, that there is some particular kind of evidence which must be provided, and that any affidavit which does not attach an invoice is presumptively useless. I believe that the affidavit here sufficiently sets out use and, within the general context of the nature of these proceedings, is quite adequate. The nature of these proceedings is such, it seems to me, that it is not considered that the facts of use are to be infinitely contestable before the Registrar or the Federal Court. It seems to me that what is required is that the registrant establish a prima facie case of use and that that is all that is expected of him. There is usually no cross-examination permitted with respect to affidavits filed either before the Registrar or before this Court in these matters, and there is no provision for respondents filing any evidence before the Registrar. It seems to me that that indicates quite clearly that these are not considered to be proceedings where there should be an infinite contestation of the facts

Having considered the evidence furnished, I conclude that the Registrant has met its evidential burden to show use of the Mark in association with the Wares during the relevant period in the

context of proceedings initiated under the provisions of s. 45 of the Act. Pursuant to the authority delegated to me under Subsection 63(3) of the Act, I hold that the trade-mark registration ought to be maintained on the register.

Registration No. TMA 503529 will be maintained in compliance with the provisions of s. 45(5) of the Act.

DATED IN BOUCHERVILLE, QUEBEC, THIS 4th DAY OF DECEMBER 2007.

Jean Carrière
Member, Trade-marks Opposition Board