



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

Citation: 2014 TMOB 23
Date of Decision: 2014-02-03

IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Sotos LLP against registration
No. TMA451,177 for the trade-mark FIX in the name of
Travel Art Communications Associates Inc.,

[1] At the request of Sotos 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 March 21, 2012 to Travel Art Communications Associates Inc., (the Registrant), the registered owner of registration No. TMA451,177 for the trade-mark FIX (the Mark). The Mark is registered for use in association with beer.

[2] 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 March 21, 2009 and March 21, 2012 (the Relevant Period).

[3] The relevant definition of “use” in association with wares 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.

[4] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the wares specified in the registration during the relevant period.

[5] In response to the Registrar's notice, the Registrant furnished the affidavit of Winfried Weindel its sole shareholder and Secretary/Treasurer and Director, sworn on June 21, 2012. Only the Requesting Party filed written representations; a hearing was not held.

[6] The issues that arise in this case are:

- (a) If the evidence shows use of the Mark, would it enure to the benefit of the Registrant?
- (b) Does the evidence show use of the Mark during the Relevant Period?

For the reasons that follow, I conclude that while use of the Mark would have enured to the Registrant, the evidence fails to show use during the Relevant Period. As no special circumstances which would excuse non-use have been shown [see section 45(3)], this registration will be expunged.

If the evidence shows use of the Mark, would it enure to the benefit of the Registrant?

[7] The Requesting Party submits that any use of the Mark does not enure to the Registrant since no license agreement between the Registrant and its alleged licensee exists, nor does the Registrant have the required degree of control over the quality of the Wares. Based on the evidence set out below, I find that use of the Mark would have enured to the benefit of the Registrant:

- Mr. Weindel states that the Registrant licenses Fix Beer Canada Ltd. (Fix Beer Canada) to run the business related to the manufacture and sale of FIX beer and retains "both

direct and indirect control of the quality of the beer manufactured in association with [the Mark]” (para 4 of the Weindel affidavit). Mr. Weindel is the sole shareholder and a Director of the Registrant and a major shareholder and a Director of Fix Beer Canada (paras 1,4). He explains that he controls and is involved in the daily running of both of these companies (para 4). Mr. Weindel further states that the Registrant is the operating entity of Fix Beer Canada (para 4).

- Fix Beer Canada in turn licenses the use of the Mark to Lakes of Muskoka Cottage Brewery Inc. (Lakes of Muskoka) (para 5). Mr. Weindel attaches the license agreement between Fix Beer Canada and Lakes of Muskoka as Exhibit C to his affidavit (the License Agreement).

[8] Use of a trade-mark by a licensee is deemed to be use by the registrant if the requirements of section 50(1) of the Act are met. Mr. Weindel's statements that the Registrant retains “both direct and indirect control of the quality of the beer” and that he is a Director and controls and is involved in the daily running of both the Registrant and Fix Beer Canada, are sufficient for me to infer that use by Fix Beer Canada would satisfy the requirements of section 50(1) of the Act [*Federated Department Stores, Inc v John Forsyth Co* (2000), 10 CPR (4th) 571 (TMOB); *Petro-Canada v 2946661 Canada Inc*, (1999), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)* 1999 CarswellNat 652 (FCA)]. The license from Fix Beer Canada to Lakes of Muskoka also meets the requirements of section 50(1) as it contains provisions pertaining to control over the use of the Mark.

Is there evidence of use during the Relevant Period?

[9] The Requesting Party argues that the Registrant fails to evidence use pursuant to section 4 of the Act since the Registrant has not provided any evidence that there was a transfer of property during the Relevant Period. Based on the evidence below, I find that the Registrant’s evidence does not demonstrate use in compliance with section 4 of the Act:

- Mr. Weindel attaches pictures of two beer bottles with the Mark featured prominently on the labels (Exhibit D). He states that this picture shows “typical bottle labels for the beer

bearing the trade-mark FIX which was sold to public in Canada during [the Relevant Period]" (para 7).

- Mr. Weindel states that during the Relevant Period Lakes of Muskoka sold FIX beer through The Beer Store (para 8).
- Mr. Weindel explains that pursuant to the License Agreement, Lakes of Muskoka pays Fix Beer Canada a 1.5% royalty on sales of the beer (para 9). A royalty statement and cheque dated March 30, 2009 from Lakes of Muskoka to Fix Beer Canada is attached as Exhibit E. The top of the statement is set out below:

LAKES OF MUSKOKA COTTAGE BREWERY INC.		* ADVICE *		12793
30-Mar-09	Vendor No. FIXBEE			12793
03-Apr-06	0000394576	Invoice	Qrt Royal	1,040.38
30-Jun-08	0000433945	Invoice	Royalties to 123107	5,047.93
14-Oct-08	0000437963	Invoice	JAOB-SE08 Royalties	1,648.56
31-Dec-08	0000444492	Invoice	OC08-DE08	641.08

A fair reading of the statement indicates that the royalties pertain to sales occurring prior to December 31, 2008.

- Mr. Weindel attaches as Exhibit F an email from Joelle McRae to Gary McMullen President and Founder of Lakes of Muskoka which states "As of December 20th 2009 there were 107 6 packs in [The Beer Store's] inventory. I will dig for the last data that provides Fix info but this is the last 2009 I could find." Mr. Weindel states in his affidavit that this email confirms there were 107 6 packs of FIX beer in The Beer Store's inventory "for sale to the public in its retail outlets" (para 10).

[10] Based on this evidence, I am unable to conclude that there were any sales during the Relevant Period. While it is true that Mr. Weindel states that FIX beer was "for sale to the public" during the Relevant Period, the royalty statement and cheque appear to relate to beer sold prior to the Relevant Period. Furthermore, the email from Ms. McRae stating there were 107 6 packs of FIX beer in The Beer Store's inventory, does not evidence that any beer was in fact sold during the Relevant Period. Mr. Weindel's statements that FIX beer was for sale to the public

during the Relevant Period on its own without further evidence confirming how he knew it had been sold is insufficient for the purposes of a section 45 proceeding.

Disposition

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

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office