

SECTION 45 PROCEEDINGS
TRADE-MARK: MIND
REGISTRATION NO.: TMA 376, 741

On March 18, 1999 at the request of Clark, Wilson, the Registrar forwarded a Section 45 notice to Myriad Innovative Designs Inc. trading as Mind Computer Products, the registered owner of the above-referenced trade-mark registration. At that time, the trade-mark MIND was registered for use in association with:

accelerator cards; anti-glare screens; anti-static mats; anti-static pads for computers; anti-static sprays; bar code readers; buffers; cables; CD ROM readers; communication cards; computers; computer backplanes; computer books; computer furniture; computer key boards; computer magazines; computer mother boards; computer mice; computer software; computer tape drives; crystals; digitizers; diskette cases; dust covers; electronic switches; emulation cards; floppy controller cards; floppy disk drives; floppy diskettes; font cartridges for printers; game ports; hard disk drive controller cards; hard disk drives; ink cartridges; interfaces; intergrated [sic] circuits; joy sticks for computers; laser printers; disk cleaning kits; monitor cleaning kits; magnetic computer tape; magnetic tape cartridges; memory cards; modems; monitors; mouse pads; multifunction cards; network cards; letter sized bond paper; continous [sic] sheet perforated edge tractor feed paper; paper trays for computers; parallel port cards; parallel serial converters; plotters; plotter accessories; power bars; power supplies; printer accessories; printer cut sheet feeders; printer mufflers; printer ribbons; printer tractor feeds; printers; ram intergrated [sic] circuits; scanners; serial port cards; signal amplifiers; signal splitters; monitor stands; systems stands; surge protectors; switch box manuals; tape controller cards; terminals; toner cartridges; uninterruptable power supplies; valet arms; video cards; worm drives;

operation of a wholesale and retail business selling computer hardware, computer software and computer furniture; repairing computers; design of custom computer hardware; design of custom computer circuit boards; design of custom computer software; installation of custom designed computer software; training customers in the use of selected software packages.

In response to the Registrar's notice, two statutory declarations of Brad Fry were furnished.

Both parties filed a written argument but an oral hearing was not requested.

Mr. Fry is the President of the registrant. In his September 15, 1999 declaration, he states that the trade-mark has been continuously used in Canada in association with all of the registered services and most, if not all, of the registered wares since January 3, 1983. In support of this statement, he provides the following exhibits:

Exhibit " A" - photographs of the registrant's corporate office's entrance, the outside of its service department, and the outside of and entrance to its retail showroom, which have been operated continuously since 1991. There is a sign displaying the MIND trade-mark at the entrance to the retail showroom, as well as on the outside of the service department. Mr. Fry explains that the registrant has also regularly held training sessions for its customers at these facilities continuously since 1995. When

combined with other evidence provided by Mr. Fry, I accept this evidence as showing use of the registrant's trade-mark for operation of a wholesale and retail business selling computer hardware, computer software and computer furniture; repairing computers; and training customers in the use of selected software packages.

The exhibit also includes an undated brochure that displays the MIND trade-mark and promotes the registrant as "a custom computer manufacturer, custom designing every computer to fit the individual needs of each valued customer".

Exhibit "B" - a photograph of a label, which the declarant states is of the type that has been in continuous use by the registrant for at least the four years prior to September 15, 1999 and is in most cases placed on the packaging that contains wares sold by the registrant. The label displays MIND in large print at the top, followed by the word "To" and a large space that appears to be intended to have the address of the purchaser inserted. At the bottom of the label, the words Mind Computer Products appear, followed in smaller print by "a division of Myriad Designs Inc." and an address and telephone and fax numbers.

Exhibit "C" - a sticker, which displays the MIND trade-mark on the bottom right, that has been placed on the back of most computers manufactured by the registrant since at least January 1999.

Exhibit "D" - a photograph of the area in the registrant's showroom where the registrant sells magazines, named PC WORLD, DREAMCAST, WIRED, *etc.* The magazines do not appear to bear the MIND trade-mark and the declarant does not allege that they do.

Exhibit "E" - a copy of the registrant's current product list. Mr. Fry states that all items listed in the trade-mark registration have been sold many times from the registrant's premises with Exhibit "B" type labels on their packaging. He also states that the products listed in the registrant's trade-mark registration have been continuously listed in its active current product list from the date of initial sale listed in the trade-mark registration up to and including the date of his declaration, unless they have gone out of production. The product list includes the following items:

accelerator cards; anti-glare screens; anti-static mats; anti-static pads for computers; cables; communication cards; computer furniture; computer key boards; computer mice; computer software; digitizers; diskette cases; dust covers; electronic switches; floppy disk drives; floppy diskettes; hard disk drives; ink cartridges; interfaces; integrated circuits; joy sticks for computers; laser printers; magnetic computer tape; magnetic tape cartridges; memory cards; modems; monitors; mouse pads; multifunction cards; network cards; parallel port cards; power bars; power supplies; printer accessories; printer cut sheet feeders; printer tractor feeds; printers; scanners; serial port cards; monitor stands; surge protectors; switch box manuals; toner cartridges; video cards.

In compiling the above list, I considered the actual products listed as well as the handwritten indicators provided by the declarant correlating some of the registered wares with less recognizable part descriptions. I should mention that the registrant's agent kindly provided a detailed list in its written argument indicating the page number of the product list that corresponds with each registered ware. However, I am unable to accept the conclusions in the registrant's written argument that some of the registered wares are in fact listed in the product list where this is not self-evident from the descriptions provided in the product list and not elucidated further by the declarant himself.

Many of the products are listed in association with other trade-marks *e.g.* EPSON printers, SAMSUNG monitors, CISCO cables *etc.*

Exhibit "F" - a random sampling of invoices dated between October 28, 1997 and September 2, 1999, all of which bear the MIND trade-mark. During this time period, the

registrant made 53,752 separate sales, each of which was accompanied by an invoice of this nature. The invoice is given to the customer with the handing over of the product or on service completion. As best as I can make out, the invoices predating March 19, 1999 evidence sales of the following registered wares: cables; CD ROM readers; computer key boards; computer mice; computer software; hard disk drives; monitors; mouse pads; network cards; and video cards. They also evidence performance of the following registered services: operation of a wholesale and retail business selling computer hardware, computer software and computer furniture and repairing computers. Furthermore, as the declarant has specifically explained that invoice number 70003K represents sales of systems that involved the registrant building and installing custom computer hardware and software, I accept that the invoices also evidence use in association with the following registered services: design of custom computer hardware; design of custom computer circuit boards; design of custom computer software; and installation of custom designed computer software.

A variety of other trade-marks are listed in the bodies of the invoices, *e.g.* GOLD STAR CD ROM Drive, PHILIPS monitor, MICROSOFT mouse.

Exhibit "G" - print advertisements for products available at the registrant's showroom dated February 1997 and December 1998. The ad displays the MIND trade-mark but the individual products advertised are all associated with third party trade-marks, *e.g.* LEXMARK, CANON, INTEL, IBM, PLAYSTATION *etc.* This ad is evidence of use of the MIND trade-mark with retail services, but advertisements do not qualify as use for wares.

Exhibit "H" - a description of software created and bundled by the registrant, *i.e.* custom created for specific customers, and sold in association with the trade-mark MIND continuously since at least September 1995.

Exhibit "I" - a photograph of the inside of the registrant's service department. The photograph does not show the MIND trade-mark but the declarant states that the service department is reached by entering the building shown in Exhibit "A" and that service customers receive an invoice of the type shown in the exhibits to the declaration.

Exhibit "J" - a printout of a frame of a television commercial for the registrant that displays the MIND trade-mark, which was run in 1997/8.

Exhibit "K" - a photograph of a CD bearing the trade-mark MIND that contains custom software and instructional manuals created by the registrant in 1998 and 1999.

Exhibit "L" - a photograph of an integrated circuit and circuit board designed and manufactured by the registrant with the trade-mark MIND stamped directly on them. These were designed and manufactured continuously since at least September 1995. When sold, they are accompanied by an invoice of the type shown in Exhibit "F", and they are often placed in boxes with labels on them of the type shown in Exhibit "B".

Exhibit "M" - pages copied from the registrant's web site on March 5, 1998.

Exhibit "N" - a photograph of a bag used to package appropriately-sized purchases from the registrant's retail showroom that bears the trade-mark MIND, which has been used since 1995. The size of the bag is not indicated and it is not possible for me to determine which wares would fit into such bags.

Mr. Fry provides the registrant's approximate annual sales figures and advertising expenditures for the past four years, namely 40 million dollars and 400 thousand dollars respectively. He also explains that the registrant has resellers across Canada to whom it sells its products at wholesale.

Mr. Fry's declaration of September 17, 1999 provides more details concerning the registrant's web site and its resellers.

Section 45 of the *Trade-marks Act* requires the registered owner to furnish an affidavit or a statutory declaration showing, 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 so in use and the reason for the absence of use since that date.

"Trade-mark" is defined in Section 2 of the *Trade-marks Act* as a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others. Furthermore, Subsections 4(1) and (2) state:

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.

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.

The burden of establishing use is on the registered owner of the trade-mark. However, since the purpose of Section 45 is to remove "deadwood" from the register, the threshold is very low [see *Vogue Brassiere Incorporated v. Sim & McBurney and The Registrar of Trade-marks*, 5 C.P.R. (4th) 537 (F.C.T.D.); *Meredith & Finlayson v. Berg Equipment Co. (Canada) Ltd.*, 43 C.P.R. (3d) 473 (F.C.A.); *Austin Nichols & Co. Inc. v. Cinnabon Inc.* (1998), 82 C.P.R. (3d) 513 (F.C.A.) at p. 525].

The type of evidence required to satisfy Section 45 was discussed as follows by the Senior Hearing Officer in *Sim & McBurney v. Hugo Boss A G* (1996), 67 C.P.R. (3d) 558 at p. 560:

Concerning the evidentiary requirement for showing use with the registered wares, Section 45 makes it clear that use must be shown in association with each of the wares specified in the registration. The leading jurisprudence on that issue is *John Labatt Ltd. v. Rainier Brewing Co.*, 80 C.P.R.(2d) 228. However, the type of evidence necessary to show use depends on the circumstances of the case but, generally speaking, the owner of the trade-mark is only required to provide some evidence that the registered trade-mark was being used in Canada during the relevant period in

association with the wares and/or services (see Union Electric Supply Co. Ltd. v. Registrar of Trade-marks, 63 C.P.R.(2d) 56). Furthermore, as stated in Lewis Thomson & Sons Ltd. v. Rogers, Bereskin & Parr, 21 C.P.R.(3d) 483, an affidavit which does not attach an invoice is not presumptively useless.

First, let me say that I see no basis for concluding that any wares not identified in the product list, invoices or other exhibits were sold by the registrant during the relevant three-year period. This is because the registrant has not stated unequivocally that it sold all of the registered wares during such period of time. Any ambiguities in Section 45 affidavits or declarations are to be interpreted against the interests of the registrant [see *Aerosol Fillers Inc. v. Plough (Canada) Ltd.* (1979), 45 C.P.R. (2d) 194 at p.198 (F.C.T.D.); aff'd 53 C.P.R. (3d) 62 (F.C.A.)].

It is however clear to me that the registrant has used its MIND trade-mark in Canada in its ordinary course of trade between March 18, 1996 and March 18, 1999 in association with all of the registered services and the following registered wares: computers, computer software, integrated circuits, and mouse pads. The aforementioned wares differ from others for which the registrant claims use in that evidence has been provided that shows that the MIND mark is displayed directly on computers manufactured by the registrant (Exhibit "C"), custom computer software (Exhibit "K"), and integrated circuits manufactured by the registrant (Exhibit "L") and that mouse pads are listed in the body of some of the registrant's invoices as MIND mouse pads. Accordingly, the services and these particular wares will be maintained in the registration.

Regarding the remaining wares listed in the registrant's product list or invoices, I find that the MIND mark is not being used to distinguish wares sold by the registrant from wares sold by others when the mark appears on the registrant's store signage, invoices or address labels. This is because such use is use in association with services, not with wares, particularly where the wares bear trade-marks of others [see *Riches McKenzie & Herbert v. Calderone Shoe*, unreported decision of Senior Hearing Officer Savard dated October 31, 1997 re registration No. TMA 289,857 and *Sterling & Affiliates v. 1005403 Ontario Limited*, unreported decision of C. Vandenaeker dated September 8, 1998 re registration No. TMA 363,495]. It is accepted that the use of a trade-mark in the body of an invoice is use in association with the sold wares, provided the invoice accompanies the wares [see *Riches, McKenzie & Herbert v. Pepper King Ltd.* (2000), 8 C.P.R. (4th) 471 at p. 475 (F.C.T.D.)]. It is not generally accepted that the display of a trade-

mark at the top of an invoice is use in association with the wares sold, particularly where the wares are identified with another party's trade-mark [see *Sterling & Affiliates v. A.C.R. Dejac SA* (1994), 58 C.P.R. (3d) 540 and *Boutiques Progolff Inc. v. Canada (Registrar of Trade-marks)* (1989), 27 C.I.P.R. 3].

In its written argument, the registrant has submitted that those registered wares that are no longer in production should nevertheless remain in the registration because there is a valid reason excusing the absence of sales and the registrant would want to sell such wares again should they come back into production. I find that Mr. Fry has not put forward special circumstances that justify the absence of use of the mark with respect to certain wares; nor has he provided the date of last use with respect to any of such wares as required by Section 45.

For these reasons, pursuant to the authority delegated to me under Subsection 63(3) of the *Trade-marks Act* and in compliance with the requirements of Subsection 45(5) of the *Act*, the following wares will be deleted from Registration No. TMA 376,741:

accelerator cards; anti-glare screens; anti-static mats; anti-static pads for computers; anti-static sprays; bar code readers; buffers; cables; CD ROM readers; communication cards; computer backplanes; computer books; computer furniture; computer key boards; computer magazines; computer mother boards; computer mice; computer tape drives; crystals; digitizers; diskette cases; dust covers; electronic switches; emulation cards; floppy controller cards; floppy disk drives; floppy diskettes; font cartridges for printers; game ports; hard disk drive controller cards; hard disk drives; ink cartridges; interfaces; joy sticks for computers; laser printers; disk cleaning kits; monitor cleaning kits; magnetic computer tape; magnetic tape cartridges; memory cards; modems; monitors; multifunction cards; network cards; letter sized bond paper; continuous sheet perforated edge tractor feed paper; paper trays for computers; parallel port cards; parallel serial converters; plotters; plotter accessories; power bars; power supplies; printer accessories; printer cut sheet feeders; printer mufflers; printer ribbons; printer tractor feeds; printers; ram integrated circuits; scanners; serial port cards; signal amplifiers; signal splitters; monitor stands; systems stands; surge protectors; switch box manuals; tape controller cards; terminals; toner cartridges; uninterruptable power supplies; valet arms; video cards; worm drives.

DATED AT TORONTO, ONTARIO THIS 31ST DAY OF MARCH, 2001.

Jill W. Bradbury
Hearing Officer