



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

Citation: 2014 TMOB 246
Date of Decision: 2014-11-13

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Riches McKenzie & Herbert LLP against
registration No. TMA184,899 for the trade-mark SET in
the name of Set Products, Inc.**

[1] On March 2, 2012, at the request of Riches McKenzie & Herbert 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) to Set Products, Inc.

[2] The notice required Set Products, Inc. to furnish evidence showing that it had used its trade-mark SET (the Mark) in Canada, at any time between March 2, 2009 and March 2, 2012, in association with each of the wares specified in the registration. If the Mark had not been so used, Set Products, Inc. was required to furnish evidence providing the date when the Mark was last used, and the reasons for the absence of use since that date.

[3] Subsequent to the issuance of the section 45 notice, the registration was voluntarily amended to delete several of the wares. Consequently, the trade-mark registration at issue is now registered with respect to the following wares only:

Building materials namely packaged concrete mixes; packaged mixtures of cement, sand, and aggregate; cement and sand; sand and mortar cement. (the Wares)

[4] The relevant definition of use in the present case is set out in section 4(1) of the Act as follows:

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 clearing the register of “deadwood”. The criteria for establishing use is not demanding and an overabundance of evidence is not necessary. However, sufficient facts must be presented to enable the Registrar to conclude that the trade-mark was used in association with each of the wares listed in the registration during the relevant period [see *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)]. Bare allegations of use are insufficient to prove use of a trade-mark [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[6] In response to the Registrar’s notice, the affidavit of Dr. Reinhard Kröner, sworn December 27, 2012, together with Exhibits 1-11 was furnished in support of the registration.

[7] While only written submissions were filed on behalf of the registered owner, only the Requesting Party made representations at an oral hearing.

The Evidence

[8] In his affidavit, Dr. Kröner states that he is an Authorized Officer of Construction Research and Technology GmbH (CORTE), and has held this position since March 28, 2011.

[9] While Dr. Kröner acknowledges that the current recorded owner of the Mark on the trade-mark register is Set Products, Inc., he attests that CORTE (sometimes hereafter referred to as the Owner) is the actual current owner of the Mark. In this regard, he provides a lengthy and detailed history of the chain of title in the Mark as follows.

[10] To begin with, he attests that according to the records of the Ohio Secretary of State (Exhibit 1), Set Products, Inc. was originally incorporated in the State of Ohio under the name of Pre-Mix Corporation on January 6, 1959; however, Pre-Mix Corporation subsequently changed its name on September 10, 1963, to Set Products, Inc. (Exhibit 2).

[11] Dr. Kröner then explains that effective July 15, 1983, Set Products, Inc. became a wholly owned subsidiary of Martin Marietta Corporation [as shown in the Purchase and Sale Agreement attached as Exhibit 3]. The agreement indicates that Martin Marietta Corporation was acting on behalf of its Master Builders Division.

[12] On March 22, 1985, Dr. Kröner attests [as shown in the Asset Purchase Agreement attached as Exhibit 4] that Sandoz Ltd. acquired the Master Builder Division along with the Master Builders Assets of the Master Builders Division of Martin Marietta Corporation. Dr. Kröner states that in accordance with this agreement, all trade-marks of the Master Builders Assets of the Master Builders Division of Martin Marietta Corporation were sold, transferred, conveyed, assigned, and delivered to Sandoz Ltd. He further explains that the Master Builders Division ultimately became known as the MBT-group.

[13] Dr. Kröner states that effective December 2, 1996, Sandoz Ltd. sold the MBT-group to SKW Trostberg AG (as evidenced in the Acquisition Agreement attached as Exhibit 5) and that in connection with this sale, Sandoz Ltd. transferred to MBT (Holding) AG, all intellectual property rights related to or used in the MBT-group (Exhibit 6). He then states that “I am confident from my experience and review of all background information that title to the Canadian trade-mark registration no. TMA184,899 for SET and other intellectual property of MBT-group was transferred to MBT Holding AG as of 1996.”

[14] Finally, the last transfer that Dr. Kröner details in the affidavit pertains the assignment of the Mark by MBT (Holding) AG to CORTE on June 30, 2003. In support, he provides as Exhibit 7 a copy of the assignment document.

[15] Dr. Kröner then goes on to explain CORTE’s normal course of trade, including licensing arrangements with respect to the manufacture and sale of Wares associated with the Mark. In this regard, he explains that BASF Corporation (BASF US) manufactures the Wares associated with the Mark under license from CORTE, and that such Wares are then sold by BASF US to BASF Canada Inc (BASF CA), who, in turn, sells the Wares to customers in Canada. He attests that such sales of Wares in association with the Mark were made during the relevant period.

[16] Dr. Kröner states that CORTE has direct or indirect control over the character and quality of the Wares manufactured by BASF US and sold in Canada under the Mark by BASF CA.

[17] To elaborate on CORTE's normal course of trade for Wares associated with the Mark during the relevant period, Dr. Kröner states that sales were primarily made through BASF CA to its distributors, who in turn, sell to end user contractors in the building and construction industry throughout Canada. However, he indicates that BASF CA also sells directly to end user contractors.

[18] With respect to sales, he explains that Wares sold in Canada in association with the Mark during the relevant period were packaged in 50 lb. bags, all of which prominently display the Mark in multiple locations. In support, he provides the following:

- Photographs of the aforementioned packaging, which he states are representative of how the Mark appeared on such goods during the relevant period (Exhibit 8);
- Copies of four representative invoices issued by BASF CA to Canadian customers, which he states confirm the sale of Wares bearing the Mark in Canada during the relevant period (Exhibit 9);
- A Product Data Sheet, available on the "internet website of BASF", and provided to customers at the time of purchase, for Wares sold in association with the Mark (Exhibit 10). The document displays the Mark and includes product feature information as well as instructions for use;
- Dr. Kröner asserts that Exhibits 8, 9, and 10 cover all of the Wares as the goods depicted, evidenced as sold, or described in these exhibits all fall under the general product description categories set out in the subject registration; and
- Material Data Safety Sheets for the Wares associated with the Mark, also available on the "internet website of BASF" (Exhibit 11). This document also clearly displays the Mark and details product handling and safety information.

Analysis and Discussion of the Parties' Submissions

[19] The Requesting Party submits that the evidence is ambiguous at best, and conflicting. In this regard, the Requesting Party submits that while the Owner contends that the Mark is owned by one entity and is being used by two other entities through proper licensed use, the evidence does not show use by the Owner or its licensee's, but rather subsidiaries of the licensees.

[20] To explain, the Requesting Party refers to Exhibits 8 and 10. These exhibits, the Requesting Party submits, are the only exhibits that provide evidence of notice of association of the Mark at the time of transfer. The product packaging in Exhibit 8 however, the Requesting Party submits, identifies a different entity on the packaging, and further to this, it is SET 45 that appears on the packaging and not the Mark.

[21] Likewise, the Requesting Party submits that the Product Data Sheets in Exhibit 10 send a conflicting message as to the source of goods as they refer to BASF Construction Chemicals LLC, and not BASF US. Further to this, the Requesting Party submits that while it is possible that BASF Construction Chemicals LLC is a subsidiary of BASF US, evidence must exist of control through license. However, the Requesting Party adds that Dr. Kröner's affidavit is silent regarding this entity, and as the entire burden rests with the owner, assumptions cannot be made concerning BASF Construction Chemicals LLC.

[22] Contrary to the Requesting Party's submissions however, I note that BASF Corporation (that is, BASF US) does appear on the product packaging in Exhibit 8. While the words "Building Systems" appear beneath the identification of BASF Corporation, they appear in a smaller font relative to the corporate identifier. Furthermore, while there is no evidence that the Safety Data Sheets (Exhibit 11) accompanied the Wares at their time of transfer, this evidence is corroborative in that BASF Corporation is identified on these materials as the source of the goods.

[23] As for the appearance of SET 45 on the product packaging, I note that the Product Data Sheets (Exhibit 10), which accompanied the Wares at their time of transfer clearly identifies the associated product as SET® 45 or SET® 45 HW, which I accept is use of the Mark as registered.

It appears from the product literature under Exhibit 10, that reference to 45 on the packaging, is a descriptive reference to the number of minutes it takes for the associated mortar product to set.

[24] As a final submission, at the oral hearing, the Requesting Party also questioned the evidence regarding the various transfers of ownership of the Mark. In this regard, the Requesting Party referred to a number of alleged discrepancies between Dr. Kröner's sworn statements and the information appearing in the various purchase agreement and assignment documents appended to his affidavit.

[25] I appreciate that the evidence details a number of transfers of ownership of the Mark over the years, involving numerous entities, some of which have undergone changes of name, including subsidiaries and corporate divisions; however, I see nothing in the evidence that on its face, calls into question Dr. Kröner's sworn statements. Furthermore, although the transfer of ownership in the present case has not been recorded, despite the lengthy passage of time since CORTE's acquisition of the Mark, the Court has held that an assignment may be valid even if not registered [see *Sim & McBurney v Buttino Investments* (1996), 66 CPR (3d) 77 (FCTD); *aff'd* 76 CPR (3d) 482 (FCA)].

[26] In any event, section 45 proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark [*United Grain Growers v Lang Michener* (2001), 12 CPR (4th) 89 (FCA)]. Furthermore, the validity of the registration is not in dispute in section 45 proceedings. As such, issues of ownership are more properly dealt with by way of application to the Federal Court pursuant to section 57 of the Act.

[27] Having regard to the foregoing and bearing in mind the intent and purpose of section 45 as a simple and summary means to remove "deadwood" from the register, I accept that use has been shown of the Mark in association with the Wares in Canada during the relevant period, and that such use accrued to the benefit of the Owner.

Disposition

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

Kathryn Barnett
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office