



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

Citation: 2013 TMOB 152
Date of Decision: 2013-09-17

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Out Front Portable Solutions against
registration No. TMA300,009 for the trade-mark
COVER-ALL in the name of Norseman Inc.**

[1] At the request of Out Front Portable Solutions (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 May 25, 2011 to Norseman Structures Inc., a former name of the registered owner Norseman Inc. (the Registrant) for the trade-mark COVER-ALL (the Mark). The Registrant obtained rights to the Mark upon purchasing the assets from the previous owner of the Mark, Cover-All Building Systems, Inc. in June 2010.

[2] The Mark is registered for use in association with the wares “portable shelters for vehicles; portable and prefabricated buildings for vehicle storage, industrial storage, commercial warehousing, recreational facilities, livestock facilities, agricultural buildings”.

[3] 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 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 May 25, 2008 and May 25, 2011.

[4] For the purposes of this decision, the relevant definition of “use” 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.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of a section 45 proceeding [*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 et al* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co 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 each of the wares or services specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Registrant filed the affidavit of Ron Bryant. Mr. Bryant is the President and CEO of the Registrant as well as CEO of its parent company, Norseman Group Ltd.

[7] Only the Requesting Party filed a written argument; an oral hearing was not held.

[8] In his affidavit, Mr. Bryant sets out the normal course of trade for sales of the wares in Canada. Specifically, he explains that the Registrant sells its wares to customers through dealers as intermediaries. Mr. Bryant explains that once a building (he states that the word "building" is synonymous with "shelter") is ordered, the Registrant designs and manufactures the parts for the building and then either delivers the parts to the dealer who placed the order or to the customer directly. The building is then either assembled by the dealer or by the customer itself. The Registrant invoices the dealer, who then invoices the customer. Mr. Bryant explains that this is the normal course of trade for the Registrant and it is his personal knowledge that the predecessor Cover-All Building Systems Inc. followed the same practice.

Was the Mark displayed on the wares during the relevant period?

[9] In his affidavit Mr. Bryant does not provide any evidence of use of the Mark by the Registrant. Rather, Mr. Bryant provides evidence of sales by the Registrant's predecessor-in-

title, as mentioned above, namely, Cover-All Building Systems, Inc. Mr. Bryant explains that the Registrant acquired the Mark when it purchased the manufacturing assets once owned by the predecessor, which included the Mark and the predecessor's manufacturing facility in Saskatchewan in June 2010. I note that the assignment of the Mark was recorded by the Registrar on November 19, 2010.

[10] In his affidavit, Mr. Bryant states that, based on his review of the predecessor's records, the predecessor continuously displayed the Mark on buildings sold in Canada in the three years prior to the Registrant's acquisition of the Mark (2007 – 2010). I note that this period encompasses a large portion of the relevant period.

[11] In support of this statement, Mr. Bryant attaches to his affidavit a close up photograph of a building which features the Mark displayed directly on it (Exhibit A). Mr. Bryant also attaches to his affidavit photographs of various buildings manufactured and sold by the predecessor which display the Mark in the same manner as that shown in Exhibit A (Exhibit B). Mr. Bryant states that based on his review of the predecessor's records from 2007-2010, the photographs in Exhibits A and B are representative of how the Mark was displayed on buildings sold under the Mark during this period of time.

[12] The Requesting Party submits that the evidence is insufficient to satisfy section 4(1) which in its view requires the Mark to be visible at the time of transfer of property in or possession of the wares. The Requesting Party submits that Mr. Bryant made no effort to show, or even claim, that the buildings in the attached photographs bore the Mark at the time of sale.

[13] In its written argument, the Requesting Party relies on the following comments of the Federal Court of Appeal in *Syntex Inc v Apotex Inc* (1984), 1 CPR (3d) 145 at 151 in support of its submission that the Registrant has failed to evidence use of the Mark in accordance with section 4(1) of the Act:

Use of a trade-mark is deemed to have occurred if at the time property in or possession of the wares is transferred, in the normal course of trade, it is 'marked on the wares themselves or on the packages in which they are distributed'. The mark thus may come to the attention of the transferee in a direct way at the time of transfer which is the critical point in time. Similarly, for there to be a deemed use, notice of any other manner of

association is likewise to be given at that same point in time. [Emphasis is that of the Requesting Party]

[14] Firstly, I note that *Syntex* was a decision with respect to an interlocutory injunction in the context of a section 22 infringement action, not a section 45 proceeding. Furthermore, *Syntex* dealt with an instance where the mark did not appear on the wares themselves or their packaging but rather on a flyer which was placed inside the packaging. Thus, *Syntex* can be distinguished from the present case.

[15] More recently, the Federal Court of Appeal outlined the Registrar's duty in section 45 proceedings, specifically:

No words in s. 45 direct the Registrar to re-examine whether the registered trade-mark is used for the purpose of distinguishing, or so as to distinguish, wares. Rather, the Registrar's duty under s. 45 is only to determine, with respect to the wares specified in the registration, whether the trade-mark, as it appears in the Register, has been used in the three years prior to the request.

[*United Grain Growers Ltd v Lang Michener* (2001), 12 CPR (4th) 89 at para 14]

[16] In *United Grain Growers*, the mark at issue was displayed inside a magazine, rather than on the front cover. In that case the Federal Court of Appeal held that:

...it is undisputed that the registered trade-mark COUNTRY LIVING was marked on the magazine COUNTRY GUIDE at the time of transfer of property in or possession of the magazine in the normal course of trade. We think once it has been determined that the registered trade-mark, as it appears in the Register, was used in association with the wares specified in the registration, the inquiry under s. 45 was at an end.

[17] As set out above, section 4(1) outlines the circumstances which must be met in order for use to be deemed in association with wares. Specifically, use will be deemed in association with wares where, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, the trade-mark is:

- (a) marked on the wares themselves;
- (b) marked on the packaging for the wares; or
- (c) 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.

[18] The Requesting Party's submissions suggest that the notice of association outlined in point (c) above also applies to instances where the trade-mark is marked on the wares or the

packaging. I am of the view that the legislation is clear, and *United Grain Growers* supports this, that at least for the purposes of section 45, use will be deemed where the trade-mark is marked on the wares at the time of transfer.

[19] The evidence is clear that the Mark is displayed on the wares (Exhibits A, B). Mr. Bryant has explained the normal course of trade. The wares are sold in component parts and assembled by the dealers or purchasers. The evidence is clear that the constructed building displays the Mark on the front paneling. I have no reason to doubt that the Mark would be displayed on this paneling prior to assembly such that the Mark is displayed on the wares at the time of transfer.

[20] Finally, I note that, as discussed in *United Grain Growers*, embarking upon an inquiry as to whether the Mark was used to distinguish the wares is outside the scope of section 45 of the Act [see *United Grain Growers, supra* at paras 14-16].

[21] The Requesting Party also submits that the photographs in evidence could have been taken prior to the relevant period and thus do not support a finding of use in the relevant period. I disagree. Firstly, I note that Mr. Bryant states that the buildings in the photographs are representative of those sold during the relevant period. Furthermore, I note that some of the photographs are dated and bear dates within the relevant period. Lastly, the Requesting Party submits that Mr. Bryant has not stated that these are Canadian buildings. However, given the affiant's sworn statements and furnished invoices, I have no reason to doubt that they relate to buildings in Canada.

Were the wares sold during the relevant period?

[22] Mr. Bryant attaches copies of invoices which he states show actual sales in Canada by the predecessor of buildings bearing the Mark during the relevant period (Exhibit C).

[23] Mr. Bryant states that based on his review of the predecessor's records for 2007 – 2010 and based on his personal knowledge of the industry and the customers in this industry, and in view of his position within the Registrant and the Norseman Group, the invoices attached as Exhibit C represent sales of portable and prefabricated buildings for the following uses:

- (a) vehicle storage and for commercial warehousing;
- (b) industrial storage;

- (c) commercial warehousing;
- (d) use as a recreational facility; and
- (e) use as a livestock facility and as an agricultural building.

[24] The Requesting Party submits that there is no reference in the invoices to the wares; rather the invoices are for sales of hardware items. I do not accept the Requesting Party's submission on this point. The evidence is clear that these invoices relate to sales of the wares. Specifically, Mr. Bryant explains that the Registrant designs the building and then sells the component parts to dealers or to customers directly for them to assemble. Therefore the manner in which the invoices are prepared is consistent with Mr. Bryant's explanation of the Registrant's normal course of trade. However, given the affiant's sworn statements, I am satisfied that the invoices relate to sales of portable and prefabricated buildings.

[25] The Requesting Party submits that the Registrant's evidence is lacking by virtue of the fact that the Registrant did not provide purchase orders. Firstly, I note that the case law is clear that there is no particular kind of evidence that must be provided in response to a section 45 notice [*Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD) at 486]. Furthermore, as mentioned previously, evidentiary overkill is not necessary in section 45 proceedings. I am satisfied that visual representations of the Mark on the wares (as shown in the photographs attached as Exhibits A and B) and sample invoices evidencing sales to Canadian customers (as shown in the invoices attached as Exhibit C) are sufficient to establish that the predecessor was using the Mark during the relevant period.

Disposition

[26] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be maintained.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office