



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

Citation: 2010 TMOB 164
Date of Decision: 2010-09-30

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Axia NetMedia Corporation against
registration No. TMA524,331 for the trade-mark
NETMANAGE in the name of NetManage Inc.**

[1] On May 24, 2007, at the request of Axia NetMedia Corporation (the Requesting Party), the Registrar forwarded a notice under s. 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) to NetManage Inc. (the Registrant) the registered owner of the trade-mark NETMANAGE registration number TMA524,331 (the Mark).

[2] The Mark is registered for use in association with the following wares:

Computer software for enabling communication among linked computers, the principal features of which are interfaces, communication protocols, terminal emulation, electronic mail, file transfer, and utility and testing applications and related user manuals sold together as a unit (the Wares).

[3] Such notice requires the Registrant to show whether the Mark has been used in Canada in association with each of the Wares 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 May 24, 2004 and May 24, 2007 (the Relevant Period).

[4] In response to the notice, the Registrant filed the affidavit of Omer Regev together with exhibits A to D. Both parties filed written representations and no oral hearing was requested.

[5] Section 45 proceedings are considered to be summary and expeditious for clearing the register of non-active trade-marks. The expression “clearing deadwood” has been often used to describe such proceeding [see *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1987), 13 C.P.R. (3d) 289].

[6] A simple allegation of use of the Mark is not sufficient to evidence its use in association with the wares and services within the meaning of s. 4 of the Act. There is no need for evidentiary overkill establishing such use. However any ambiguity in the evidence filed shall be interpreted against the owner of the Mark [See *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980) 53 C.P.R. (4th) 62 and *Footlocker Group Canada Inc. v. Steinberg* (2005), 38 C.P.R. (4th) 508]. It is with these general principles in mind that I shall now summarize the evidence filed.

[7] Mr. Regev is the Registrant’s Chief Financial Officer since April 23, 2007. We have no information if prior to that date he was working for the Registrant and if so in what capacity. He signed his affidavit on August 22, 2007, nearly 4 months after being named the Registrant’s Chief Financial Officer. He states that by virtue of his experience with the Registrant, he has knowledge of the matters sworn in his affidavit. On the face of the evidence filed, it appears that his experience with the Registrant is limited to a four month period which includes only one month during the Relevant Period. This is a situation that can be distinguished from cases where the deponent has been an officer of the registrant for many years [see as an example *Quarry Corp. v. Bacardi & Co.* (1996), 72 C.P.R. (3d) 25].

[8] He has defined in his affidavit the list of wares described in the registration as the “Products”. For sake of consistency in this decision, I shall continue to refer to those wares as the Wares, unless stated otherwise. I should mention at this stage that, despite having defined the term Products in his affidavit, the deponent does use the words “products”, “product” and even “software” in his affidavit. This certainly creates serious ambiguities in the interpretation of the statements made in his affidavit, as it will be discussed hereinafter.

[9] He states that the Registrant carries on business under the business name and trading style “NetManage”. Obviously this may create problems when the term NetManage appears on the documentation filed: Is it used as a trade-mark, thus being used for the purpose of distinguishing

or so as to distinguish the Wares sold by the Registrant from those manufactured by others or is it used as a trade-name, namely as a name under which a business is carried on [see s. 2 of the Act]? Any ambiguity surrounding the use of the term “NetManage” shall be interpreted against the Registrant.

[10] He further states that the Registrant has a Canadian subsidiary named Netmanage Canada, Inc. The latter is sometimes involved in transactions as a distributor of the Registrant’s products. The Requesting Party has raised an issue over this allegation. It claims that the deponent has given no indication as to how he would have knowledge of such use. The deponent does not refer afterward to such entity. All the pertinent allegations concerning the use of the Mark in Mr. Regev’s affidavit refer to the Registrant. Therefore this allegation does not have to be taken into consideration to determine the outcome of these proceedings. In any event, as argued by the Registrant, an entity who distributes wares bearing a trade-mark is not making use of such trade-mark, as defined in s. 4(1) of the Act. A distributor of goods does not require a license from the trade-mark owner to distribute them [see *A & A Jewellers Ltd. v. Malcom Johnston & Associates* (2000), 8 C.P.R. (4th) 56].

[11] Mr. Regev describes the Registrant’s business which consists in solutions for integrating, Web enabling, and accessing enterprise information system. He states that the Registrant’s customers in Canada include businesses which themselves operate in various fields such as entertainment services, banking, auto parts distribution and sales, consumer goods manufacturing and sales, and also Federal and Provincial government branches and agencies . From the documentation filed I note that the Ontario Motor Vehicle Industry Council and Citizenship and Immigration Canada are amongst the Registrant’s clients. However the fact that they are customers of the Registrant does not necessarily mean that they purchased the Wares in association with the Mark during the Relevant Period. It merely gives an indication of the nature of the Registrant’s business.

[12] Mr. Regev states that the Registrant uses the Mark in Canada in association with the Wares. I note that the statement is made in the present tense thus as of August 22, 2007, the date of execution of his affidavit. Moreover the allegation does not state that the Registrant was using

the Mark in association with the Wares during the Relevant Period. However such deficiencies might be cured by taking into account the whole of the evidence, including the exhibits filed.

[13] The Requesting Party is arguing in essence that, in any event, the lack of information on Mr. Regev's involvement with the Registrant prior to being appointed as Chief Financial Officer limits his own personal knowledge of the Registrant's activities to the period between April 23, 2007 and May 24, 2007. Mr. Regev has not alleged that the statements made in his affidavit are based on information and belief but he has rather specified that "I have knowledge of the matters sworn to herein." He does not explain how he acquired knowledge of the facts that took place prior to his appointment as Chief Financial Officer of the Registrant.

[14] Despite the comments made in paragraph 7 above, I will assume that Mr. Regev had personal knowledge of the Registrant's commercial activities prior to the date he became its Chief Financial Officer, as it will become apparent that such assumption does not have an impact on the outcome of my decision.

[15] Mr. Regev alleges that when the Registrant sells software to a customer, a license under the Registrant's copyright to use one or more copies of the software is granted to that customer. Also the Wares are further identified by various additional trade-marks such as OnWEb, Librados, SOA Planner, Rumba and ViewNow. Those trade-marks do appear on the documentation filed but the use of these trade-marks is not in issue in these proceedings.

[16] To illustrate the use of the Mark, the deponent has filed, as Exhibit A, a sample disc on which appears the Mark. The Requesting Party is arguing that, by not using the defined term "Products" in paragraph 8 of his affidavit, the allegation is ambiguous as to the use of the Mark in association with the Wares. In the aforesaid paragraph 8, Mr. Regev does state that "[the Mark] appears on product discs that contain the software, and on packaging".

[17] The deponent failed to clearly state that such sample disc was in use during the Relevant Period. Moreover, the word "product" is not the defined term "Products". The Registrant argues that this constitutes a typographical error. I would tend to agree with the Registrant if it would have been the only instance where the deponent is using the term "product" or "products" without the "P". There are other instances where Mr. Regev chose to use the terms "product" or

“products” instead of the defined term “Products”. He has even used the undefined term “Product” [see paragraph 9 of his affidavit]. Again, any ambiguity caused by the use of the terms “products”, “product” and “Product” instead of the defined term “Products” shall be interpreted against the Registrant. Finally, the sample disc filed has no content. It is simply a blank disc.

[18] To add to these ambiguities, in paragraph 8 of his affidavit, Mr. Regev refers to “software” instead of the defined term Products. Such software may very well be different than the Products as defined in his affidavit, which is, as mentioned earlier, the wares covered by the registration.

[19] There are too many ambiguities in the allegations made in paragraphs 8 and 9 of Mr. Regev’s affidavit to simply ignore them. The Requesting Party cannot cross-examine the deponent in these summary proceedings. The Registrant has the obligation to establish a very simple fact: the use of the Mark in association with Wares during the Relevant Period.

[20] The deponent has filed sample pages of the Registrant’s website to illustrate the use of the Mark in marketing material. He states that “These pages are current as of the date of this affidavit, but their appearance would have been substantially similar prior to the Notice Date”. Marketing material *per se* does not show use of a trade-mark in association with wares within the meaning of s. 4(1) of the Act. Moreover, without going into a detailed analysis of the content of those pages, it is not self-evident that NetManage is used on these pages as a trade-mark. A strong argument could be made that it is used as the Registrant’s trade-name or, even if used as a trade-mark, it would be in association with services.

[21] Mr. Regev filed, as Exhibit C to his affidavit, an invoice issued to a Canadian customer during the Relevant Period. However, after having disregarded Exhibits A and B as evidence of use of the Mark in association with the Wares during the Relevant Period, would such invoice, by itself, constitute proper evidence of use of the Mark?

[22] The Registrant argues that the Mark appears on the top of the invoice filed and thus does constitute evidence of use of the Mark. It refers to *Gowling Lafleur Henderson LLP v. Bulova Watch Co.* (2006), 51 C.P.R. (4th) 470 to support its position. On the other hand the Requesting Party is relying on *Sara Lee Corp. v. Naylor* (2006), 52 C.P.R. (4th) 412 to support the position

that “NetManage” is used as a trade-name. The outcome of each case dealing with this issue depends on the manner in which the term is being used on the invoice. The definitions of “trade-mark” and “trade-name” mentioned above provide us appropriate guidelines to resolve this issue.

[23] The term “NetManage” appears in several places on the invoice. On the top left-hand portion of the invoice it appears prominently with the symbol ® beside it. The fact that this symbol is used beside “NetManage” does not necessarily means that it is used as a trade-mark. In this context, I am of the opinion that it is not use of the Mark in association with the Wares. Underneath the term “NetManage” there is the inscription “Experts in Host Access and Integration Solutions” followed by a civic address. Since all this information is in close proximity with the term “NetManage”, I conclude that, at best for the Registrant, it would constitute evidence of use of the Mark but in association with services, which is not the issue to be determined in this case.

[24] However, the term “NetManage” does appear in the following manner in the description portion of the goods sold: “NetManage Developer Kit 1.4”. In this situation it is used as a trade-mark. Mr. Regev refers, in his affidavit, to this invoice in the following terms: “a sample invoice showing a sale of the Product to a customer in Canada (...)”. Leaving aside the issue of the use of the term “Product” as opposed to the defined term “Products”, in the absence of a sample of the Wares bearing the Mark sold during the Relevant Period, the filing of an invoice which features the Mark might be sufficient to evidence use of the Mark in association with the Wares. Nonetheless, there must be evidence that the invoice accompanied the Wares at the time of their transfer to the customer [see *Davis & Co. v. Oasis Corp.* (2002), 22 C.P.R. (4th) 406]. There is no evidence that the invoice accompanied the Wares at the time of their delivery to the customer, or no evidence that would enable me to infer such a situation.

[25] To close on the issue of the invoice, Exhibit C, I note that there is no reference to it in the detailed business records of the Registrant filed as Exhibit D to Mr. Regev’s affidavit.

[26] There remains Exhibit D to Mr. Regev’s affidavit. It is presented as “a printout from the Registrant’s business records”. The deponent alleges that it shows sales of the Wares bearing the Mark in Canada from 2000 to 2007. Firstly, I have to disregard all entries outside the Relevant Period. Secondly, the document filed does contain a description of what was sold to the

customers under the heading “classification”. It is identified either as “license” or “maintenance”. Mr. Regev has explained that when the Registrant sells software to a customer, it grants a license to use one or more copies of the software sold. On Exhibit D, under the column entitled “Material” there is a description of the software licensed. A review of each transaction classified as “license” in Exhibit D during the Relevant Period reveals that there is no reference to the Mark. Any reference to the Mark in the document is in association with maintenance services as opposed to a license for software. Therefore the content of Exhibit D during the Relevant Period does not support an allegation of use of the Mark in association with the Wares. In view of this conclusion, it is not necessary to rule on the several issues raised by the Requesting Party concerning the admissibility of that document.

[27] As mentioned previously, this is a summary administrative proceeding that is quite simple. The evidence filed must satisfy the Registrar that there has been use of the Mark in association with the Wares during the Relevant Period. The evidence should not raise more questions than providing answers to the aforesaid key issues to be determined.

[28] In view of all the ambiguities identified above, the evidence filed falls short from establishing proper use of the Mark in association with the Wares during the Relevant Period within the meaning of s. 4(1) of the Act. Moreover there are no special circumstances alleged in Mr. Regev’s affidavit that would justify the non-use of the Mark during the Relevant Period.

Disposition

[29] Pursuant to the authority delegated to me under s. 63(3) of the Act, registration TMA524,331 will be expunged from the register in compliance with the provisions of s. 45 of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office