LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

**Citation: 2013 TMOB 218**
**Date of Decision: 2013-12-18**

**IN THE MATTER OF A SECTION 45 PROCEEDING requested by Alliance Laundry Systems LLC against registration No. UCA15837 for the trade-mark SPEED QUEEN in the name of Whirlpool Canada LP**

[1] At the request of Alliance Laundry Systems LLC (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on October 5, 2011 to Whirlpool Canada LP (the Registrant), the registered owner of registration No. UCA15837 for the trade-mark SPEED QUEEN (the Mark).

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

Wares:
(1) Laundry washing machines, laundry wringers, water extraction devices and ironing machines.
(2) Electric refrigerators.
(3) Microwave ovens, freezers, free standing ranges, built-in ovens, countertop ranges.
(4) Laundry dryers, dishwashers.
Services:
(1) Operation of a laundromat.
(2) Services of leasing, maintenance and repair of laundry washing machines and laundry dryers.

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares or 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 any time between October 5, 2008 and October 5, 2011.

[4] What qualifies as "use" of a trade-mark in association with wares and services is defined in section 4 of the Act, which states in part:

> 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.
>
> (2) 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.

[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 removing "deadwood" from the register and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)].

[6] In response to the Registrar's notice, the Registrant furnished the affidavit of Robert English, who identifies himself as Director/General Manager of Whirlpool Corporation, sworn March 27, 2012.

[7] Both parties filed written submissions and were represented at a hearing.

[8] At the outset of the hearing, the Registrant conceded that the registration at issue ought to be amended to delete all wares and services except the wares described as "laundry washing machines" and "laundry dryers" as there is neither evidence of use nor circumstances excusing the absence of use of the Mark with respect to these other wares and services.

[9] Consequently, I will focus my analysis on the wares "laundry washing machines" and "laundry dryers" only.

[10] Turning to the evidence of use of the Mark by the Registrant, Mr. English states that the Registrant is a wholly owned subsidiary of Whirlpool Corporation, a global leading manufacturer and marketer of consumer appliances. [paras 1 and 2 of his affidavit]

[11] Mr. English states that "the [Mark] has been used by [the Registrant] and its licensees, including Whirlpool Corporation, in the normal course of trade, in Canada, in association with consumer appliances including laundry washing machines and laundry dryers within [the relevant period]." [para 3 of his affidavit]

[12] Mr. English states that the Mark is, and was during the relevant period, so used by being prominently displayed on the washers and dryers. He attaches to this end as Exhibit "B" representative photos of washers and dryers displaying the Mark. [para 5 of his affidavit] Upon review of this exhibit, I note that these washers and dryers appear to be intended for commercial use as they are coin operated.

[13] Mr. English states that "SPEED QUEEN washers and dryers are, and were, during the [relevant period], sold by [the Registrant] and its licensees, in the normal course of trade, to customers in Canada." He further provides the total sales of SPEED QUEEN washers and dryers in Canada for the years 2001-2010, which amounted to CAD$100,504.69. However, no breakdown is provided. He then adds that "while the overall volume of sales of SPEED QUEEN washers and dryers declined briefly in the years following Whirlpool Corporation's acquisition of Maytag Corporation in 2006, […] a portion of the above sales for SPEED QUEEN washers and dryers for the years 2001-2010 occurred directly during the [relevant period]." [para 11 of his affidavit]

[14] Mr. English attaches as Exhibits "C" and "D" copies of invoices dated December 20, and 22, 2011 (that is *after* the relevant period), from Whirlpool Corporation to a retail customer located in the province of Quebec for 108 SPEED QUEEN washers and 108 SPEED QUEEN dryers respectively. He explains that the Mark appears prominently in the centre of each invoice under the description heading beside the model/part number. He confirms that the descriptions and model/part numbers correspond to sales of SPEED QUEEN washers and dryers in Canada and that "[t]he current use of the [M]ark on these invoices is representative of the nature of the use of the [M]ark on invoices issued during the [relevant period]." [paras 7 to 9 of his affidavit]

[15] Mr. English further states that "[s]ince acquiring the [Mark] in 2004, at all times, including during the [relevant period, the Registrant] has retained direct or indirect control of

the character and quality of SPEED QUEEN washers and dryers marketed and sold by its licensees in Canada, including Whirlpool Corporation, in association with the [Mark]". [para 10 of his affidavit]

[16] Mr. English concludes his affidavit stating that maintenance of the present registration is clearly warranted as the evidence shows that the Mark has been used by the Registrant and its licensees, in the normal course of trade, in Canada, in association with washers and dryers, including during the relevant period. [para 12 of his affidavit].

[17] The Requesting Party argues that the Registrant has not evidenced use of the Mark in Canada in association with the registered wares "laundry washing machines" and "laundry dryers" during the relevant period for three main reasons, which are addressed in turn below.

Normal course of trade

[18] The Requesting Party argues that there is absolutely no explanation on what constitutes the Registrant's normal course of trade in the English affidavit. Rather, the affidavit contains unsubstantiated references to "use in the normal course of trade". I disagree.

[19] As explained by Mr. English, the Registrant is a wholly owned subsidiary of Whirlpool Corporation, which is a global leading manufacturer and marketer of consumer appliances. As further explained by Mr. English, since acquiring the Mark in 2004, the Registrant has been selling by itself and through its licensees, including Whirlpool Corporation, SPEED QUEEN washers and dryers in Canada.

[20] These sworn statements of use of the Mark are corroborated by visual representation of the Mark (as shown in Exhibit "B") and sample invoices evidencing sales to a Canadian customer (as shown in Exhibits "C" and "D").

[21] The fact that the English affidavit fails to indicate whether the washers and dryers depicted in Exhibit "B" were sold without any packaging so that notice of the association would then be given to the consumer(s), or if they were wrapped-up or packaged at the time of transfer, and if so, whether the Mark was displayed on such wrapping or packaging material, is not fatal to the Registrant.

[22] As indicated above, the fact is that the Mark *is* prominently displayed on the washers and dryers; this is sufficient for purposes of "use" under section 4(1) of the Act. In any event, even if I were to accept the requesting Party's premise and assume that the SPEED QUEEN washers and dryers were sold in packaging that did not indicate their brand name, I am satisfied that notice of the association can be inferred when considering the representative specimens of invoices filed under Exhibits "C" and "D".

[23] As stressed by the Registrant, while these invoices are dated after the relevant period, they are important to the present case as they illustrate another way in which the Mark was associated with the Registrant's washers and dryers at the time of transfer, as the Mark appears next to the model of the washers and dryers that were sold. As indicated above, Mr. English clearly asserts that use of the Mark on these invoices is *representative* of the nature of the use of the Mark on invoices *during the relevant period*. Careful inspection of the invoices show that the "bill to" and "ship to" addressees are identical and that the "invoice date" and "ship date" are also identical (with payment due the following month). As stressed by the Registrant, the Registrar has previously been willing to accept under these circumstances that the invoices at issue accompanied the wares at the time of transfer [*Cheesecake Factory Inc v Tetragon Investments Ltd* (2010), 88 CPR (4th) 165 (TMOB) at 175].

Licensed use

[24] The Requesting Party argues that the English affidavit fails to provide sufficient explanation as to the licensed use of the Mark, such as who manufactures the SPEED QUEEN washers and dryers, how the Registrant exercised control over the licensed use of the Mark, who are the other Registrant's licensees in addition to Whirlpool Corporation, etc. I disagree with the Requesting Party's approach.

[25] For the purpose of a section 45 proceeding, the Registrant need only provide a clear sworn statement as to the control exercised pursuant to the license agreement. As reminded in *Quarry Corp Ltd v Bacardi & Co Ltd* (1996), 72 CPR (3d) 25 (FCTD) at 29, details as to the manner in which that control is exercised need not be included:

> The appellant's evidence concerning its licensee is brief but, in my opinion, reliable. It is not contested that use by a licensee will enure to the benefit of the trade-mark owner. The Cantu affidavit states that the appellant "has a license with Casa Cuervo, S.A. de C.V." and that the products produced by the license "are subject to the quality standards" of the appellant. This statement is evidence and more than a mere allegation.

[See also *Pitblado Buchwald Asper v Hockey Ventures Inc* (2002), 25 CPR (4th) 71 (TMOB); *Bereskin & Parr v Movenpick-Holding* (2008), 69 CPR (4th) 243 (TMOB) at 249-250; and *Smart & Biggar v Vincenzo Greco & Giuseppina Greco a Partnership*, (2010) TMOB 116 at para 15; among others, wherein it was held that for the purpose of a section 45 proceeding, if there is mention of a licence and there is a statement in the affidavit that the owner has control of the character and quality of the wares, the use is considered to be in compliance with section 50(1) of the Act].

[26] In the present case, there is nothing to suggest that the Registrant did not exercise, either directly or indirectly, control over the character or quality of the SPEED QUEEN washers and dryers. To the contrary, Mr. English clearly attests to the fact that the Registrant has at all times retained direct or indirect control of the character and quality of the SPEED QUEEN washers and dryers that Whirlpool Corporation sold in Canada. I have no reason not to accept Mr. English's statements at face value. To the contrary, sworn statements made in an affidavit must be accorded substantial credibility [*Ogilvy Renault v Compania Roca-Radiadores SA*, 2008 CarswellNat 776 (TMOB)].

Use during the relevant period

[27] The Requesting Party argues that there is absolutely no evidence whatsoever of actual sales of the SPEED QUEEN washers and dryers during the relevant period. More particularly, it argues that the invoices filed under Exhibits "C" and "D" are not pertinent as they are dated after the relevant period, and that Mr. English's failure to provide the exact sales of SPEED QUEEN washers and dryers for the relevant period must be held against the Registrant. I disagree with the Requesting Party's approach.

[28] As stressed by the Registrant, it is not necessary to provide invoices from within the relevant period to establish use [*Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988),

21 CPR (3d) 483 (FCTD); and *Borden Elliott v Cara Operations Ltd* (1997), 82 CPR (3d) 115 (TMOB) at 120].

[29] Furthermore, and as acknowledged by the Requesting Party itself at the hearing, the invoices provided under Exhibits "C" and "D" evidence high volume sales: 108 SPEED QUEEN washers (for a total price of $41,256) and 108 SPEED QUEEN dryers (for a total price of $32,832). While these invoices fall outside the relevant period by approximately 11 weeks, it would be unreasonable to conclude that they stem from a "token sale". To the contrary, I find reasonable to conclude that these invoices represent a continuity of sales, especially when the evidence is considered as a whole.

[30] Indeed, I have no reason not to accept Mr. English's clear statement that *a portion* of the sales for the years 2001-2010, which totaled CAD $100,504.69 *occurred directly during the relevant period*. As stressed by the Registrant, to conclude otherwise would be to conclude that Whirlpool Corporation's sales of SPEED QUEEN washers and dryers happened to go from nil during the relevant period to orders worth tens of thousands of dollars each in the weeks following the issuance of the section 45 notice. To reach such a conclusion would be unreasonable in the present case and would be inconsistent with the summary nature of section 45 proceedings.

Decision

[31] In view of the above, the registration will be amended to delete the wares and services for which no evidence of use has been shown. Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will thus be maintained in respect of the following wares only in accordance with the provisions of section 45(5) of the Act: "laundry washing machines" and "laundry dryers".

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Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office