

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

Citation: 2013 TMOB 95 Date of Decision: 2013-05-24

IN THE MATTER OF A SECTION 45 PROCEEDING requested by Monster Daddy LLC against registration No. TMA655,938 for the trade-mark MONSTER in the name of Monster Cable Products, Inc.

- [1] On March 24, 2009, at the request of Monster Daddy LLC (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 Monster Cable Products, Inc. (MCPI). The notice required MCPI. to show that its trade-mark, MONSTER (registration No. TMA655,938) had been used in Canada in association with each of the registered wares within the previous three years.
- [2] Section 4 of the Act sets out the meaning of use. In this case, the following subsection applies:
 - 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.
- [3] The trade-mark is registered for use in association with the following wares:

Electric wires, cables, and connectors; all being electrical and for use with audio and video components: amplifiers, CD, tapes, records, video cable, audio cable, speaker cable and connectors, cable, magnetic circuit breakers, power distribution blocks, junction boxes, fuse holders and battery connectors insulators for cables, electrical power products for vehicles, namely, power distribution blocks, capacitors, fuse

blocks, fuse holders, circuit breakers, battery terminals, and connectors for battery cables, computers, calculating machines, cashier's machines, electrical signal transmitting cable and connectors therefore, for musical instruments, video game machines for use with televisions; and electronic game accessories, namely, electrical cables, electrical connectors and video game interactive remote control units; electronic games and electronic game accessories, namely, electrical cables, connectors and control devices, electrical signal, musical and voice transmitting cables and connectors therefore; video game machines for use with televisions; electronic game accessories, namely, electrical cables, electrical connectors and video game interactive remote control units, magnetic circuit breakers, power distribution blocks, junction boxes, fuse holders, battery connectors, batteries, powerstrips and boards, power line conditioners, and electrical power extension cords, electrical signal transmitting cables and connectors therefore; parts of and accessories for such goods, electrical distribution or control machines and apparatus; rotary converters; phase modifiers; batteries; electrical and magnetic measuring instruments; electric wires and cables; electrical communication machines and apparatus; applied electronic machines, alkaline batteries, rechargeable batteries, battery rechargers, fuse holders, battery connectors, junction boxes magnetic circuit breakers, electric current distribution boxes, electric current control device, automatic voltage stabilizers, energy conduit, audio and stereo equipment; electrical, audio and video cables; amplifiers, preamplifiers, speakers, equalizers, CD players and tape players; power distribution systems; noise reduction components; connectors and electrical signal transmitting and interactive remote control units, computer products, namely, computer game programs; video game cartridges; video game CD-ROMS; video output game . units; computer game CD-ROMS; video game programs; video game programs for use with television sets; and video game machines for use with televisions, satellite disk-to-receiver interconnect; electrical cables, electrical connectors and amplifiers; satellite receiver connection kit comprised of electrical cables and electrical connectors, amplifiers, and satellite finder.

- [4] In response to the Registrar's notice, MCPI filed an affidavit of Mr. David Tognotti, General Counsel and Vice-President of Administration of MCPI. Neither party filed written representations; however, both parties were represented at an oral hearing.
- [5] The Requesting Party's main arguments are the following:
 - The trade-mark has not been used in association with *each* of the registered wares.
 - There is inadequate evidence of sales of the registered wares as:
 - o No invoices or purchase orders have been provided; and
 - The spreadsheet of alleged sales refers to "sample accounts", and as such, there is uncertainty as to whether these were sales made in the normal course of trade.

- The spreadsheet of alleged sales in the evidence does not show sales made by MCPI, and there is no evidence of licensed use of the trade-mark.
- [6] I will address each of these issues in turn.

Has the trade-mark been used in association with each of the registered wares?

- [7] In his affidavit, Mr. Tognotti collectively refers to the registered wares as the "Monster Products" and he states that MCPI has used the trade-mark in Canada during the relevant period in association with the Monster Products.
- [8] Mr. Tognotti then describes the manner in which the trade-mark was associated with the Monster Products sold by MCPI in Canada during the relevant period. In this regard, he states that the trade-mark was applied directly on the Monster Products, it was applied to labels affixed to the Monster Products, and it was applied to packaging for the Monster Products. In support, he attaches as Exhibit A, what he describes are photographs of the Monster Products offered for sale and sold by MCPI in association with the trade-mark, as well as associated product packaging. He states that these photographs are representative of the packaging and labels for the Monster Products that were sold in Canada by MCPI during the relevant period.
- [9] I note that Exhibit A consists of MCPI's 2007 Canadian dealer product catalogue, as well as printouts from various online retailers, including MCPI's web site. The trade-mark is displayed on nearly every page of the catalogue and can also be seen clearly marked on a significant number of the products and/or packaging depicted in the catalogue. From a review of the catalogue, it appears that the catalogue is used by dealers when placing orders for the Monster Products. Thus, I accept that purchasers would have been given notice of association of the trade-mark with the Monster Products at the time of purchase [see *Philip Morris Products SA v Marlboro Canada Ltd* (2010), 90 CPR (4th) 1 (FC)].
- [10] Mr. Tognotti states that Monster Products marked with the trade-mark are offered for sale and sold at hundreds of retail outlets throughout Canada, including at Best Buy, Future Shop, The Source by Circuit City, 2001 Audio and Video, London Drugs, The Sony Store, and A & B

Sound. Additionally, the Monster Products are sold on-line through internet retailers such as *thesource.com*, *bestbuy.ca*, *futureshop.ca*, *dumoulin.com* and *ncix.com*.

- [11] With respect to sales of the Monster Products, Mr. Tognotti provides sales figures for 2006 and 2007 in his affidavit, as well as a sales summary spreadsheet under Exhibit B. The sales figures reflect aggregate sales of Monster Products for these years, without reference to specific Monster Products. While it is unclear if the figures are meant to reflect sales in Canada, given the large number of retailers in Canada, and the sales shown in the spreadsheet summary (discussed below), I accept that at least a portion of these figures represent sales in Canada.
- [12] With respect to the sales summary spreadsheet, Mr. Tognotti attests that the spreadsheet summarizes representative invoices sent to customers with respect to the sale of Monster Products bearing the trade-mark in Canada. When cross-referencing product numbers and model names from the Exhibit A catalogue with those appearing in the Exhibit B spreadsheet, I accept that the evidence demonstrates that the trade-mark was used in association with most of the Monster Products within the meaning of sections 4 and 45 of the Act during the relevant period.
- [13] However, I note that the following Monster Products do not appear to be represented anywhere in the evidence:

Computers, calculating machines, cashier's machines; video game machines for use with televisions; rotary converters; phase modifiers; computer products, namely computer game programs; video game cartridges; video game CD-ROMS; video output game units; computer game CD-ROMS; video game programs; video game programs for use with televisions.

- [14] Consequently, I find that MCPI has failed to show use of its trade-mark in association with these particular Monster Products in Canada during the relevant period. Furthermore, as no special circumstances have been put forth that would excuse the absence of such use, these wares will be deleted from the registration.
- [15] In addition, however, the Requesting Party questions whether the above-described evidence constitutes adequate evidence of sales of the remaining Monster Products.

<u>Is there adequate evidence of sales in the normal course of trade with respect to the registered</u> wares?

- [16] In this regard, the Requesting Party questions the value of the sales summary spreadsheet, and highlights the fact that no invoices or purchase orders clearly demonstrating sales of the Monster Products have been provided in the evidence. However, I agree with MCPI that the case law has established that there is no particular type of evidence that is required in response to a section 45 notice, and that the lack of invoices is not necessarily fatal [see *Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 at 486 (FCTD)].
- [17] In the present case, the sales summary spreadsheet details a large volume of sales transactions. Details of these transactions include: product and model numbers, customer names, invoice dates and invoice numbers, the name of the country the product was shipped to, and further product description information. In my view, this information, in combination with Mr. Tognotti's sworn statements, is sufficient to establish that sales of the Monster Products were made in the normal course of trade [see *Dimock Stratton v Sunburst Products* (2009), 73 CPR (4th) 451 (TMOB)].
- [18] The Requesting Party also questions whether the spreadsheet demonstrates sales made in the normal course of trade, as many of the sales in the spreadsheet are ambiguously listed as sales to "sample accounts". Mr. Tognotti does not provide an explanation of "sample accounts" in his affidavit, and absent further information, I agree that these spreadsheet entries are ambiguous as to whether they reflect transfers of such items in the normal course of trade. However, there is ample evidence of representative transactions of the Monster Products that are not listed as promotional in nature. In other words, there is sufficient representative evidence of transactions made in the normal course of trade. This finding is further supported by the aforementioned sales figures, which I have already inferred represent sales in Canada of the Monster Products.
- [19] As such, I will turn now to the Requesting Party's last concern as to whether the use shown is use by MCPI or licensed use that enures to MCPI's benefit under section 50 of the Act.

<u>Does the evidence show use of the trade-mark by MCPI or licensed use that enures to MCPI's</u> benefit?

- [20] The Requesting Party argues that the spreadsheet of alleged sales in the evidence shows that the sales were made by either an entity listed as "MCIL" or "MTIL". Furthermore, the Requesting Party submits that MCPI has not explained who these entities are or their relationship to MCPI. Lastly, the Requesting Party submits that there is no evidence that MCPI had a license agreement with these entities regarding use of its trade-mark in accordance with section 50 of the Act.
- [21] I note, however, that Mr. Tognotti clearly attests in his affidavit that MCPI sold the Monster Products in Canada during the relevant period. Sworn statements are to be accorded substantial credibility [see *Rubicon Corp v Comalog Inc* (1990), 33 CPR (3d) 58 (TMOB)]. Furthermore, the spreadsheet does not indicate that MCIL or MTIL *sold* the Monster Products, it simply lists these entities under a column entitled "Monster Company". In view of the evidence as a whole, I find it reasonable to conclude that MCIL and MTIL were merely part of MCPI's supply and/or distribution chain during the relevant period. Accordingly, I accept Mr. Tognotti's sworn statements at face value and am satisfied that the use shown was that of MCPI.

Disposition

[22] In view of all 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, registration No. TMA655,938 will be amended to delete the following from the statement of wares:

Computers, calculating machines, cashier's machines; video game machines for use with televisions; rotary converters; phase modifiers; computer products, namely computer game programs; video game cartridges; video game CD-ROMS; video output game units; computer game CD-ROMS; video game programs; video game programs for use with televisions.

[23] Accordingly, the amended statement of wares will be as follows:

Electric wires, cables, and connectors; all being electrical and for use with audio and video components: amplifiers, CD, tapes, records, video cable, audio cable, speaker cable and connectors, cable, magnetic circuit breakers, power distribution blocks,

junction boxes, fuse holders and battery connectors insulators for cables, electrical power products for vehicles, namely, power distribution blocks, capacitors, fuse blocks, fuse holders, circuit breakers, battery terminals, and connectors for battery cables, electrical signal transmitting cable and connectors therefore, for musical instruments; and electronic game accessories, namely, electrical cables, electrical connectors and video game interactive remote control units; electronic games and electronic game accessories, namely, electrical cables, connectors and control devices, electrical signal, musical and voice transmitting cables and connectors therefore; electronic game accessories, namely, electrical cables, electrical connectors and video game interactive remote control units, magnetic circuit breakers, power distribution blocks, junction boxes, fuse holders, battery connectors, batteries, powerstrips and boards, power line conditioners, and electrical power extension cords, electrical signal transmitting cables and connectors therefore; parts of and accessories for such goods, electrical distribution or control machines and apparatus; batteries; electrical and magnetic measuring instruments; electric wires and cables; electrical communication machines and apparatus; applied electronic machines, alkaline batteries, rechargeable batteries, battery rechargers, fuse holders, battery connectors, junction boxes magnetic circuit breakers, electric current distribution boxes, electric current control device, automatic voltage stabilizers, energy conduit, audio and stereo equipment; electrical, audio and video cables; amplifiers, preamplifiers, speakers, equalizers, CD players and tape players; power distribution systems; noise reduction components; connectors and electrical signal transmitting and interactive remote control units; satellite disk-to-receiver interconnect; electrical cables, electrical connectors and amplifiers; satellite receiver connection kit comprised of electrical cables and electrical connectors, amplifiers, and satellite finder.

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