



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

**Citation: 2013 TMOB 120**  
**Date of Decision: 2013-07-08**

**IN THE MATTER OF A SECTION 45  
PROCEEDING requested by L.O.F., Inc.  
against registration No. TMA469,062 for  
the trade-mark BEST AUTO & Design in  
the name of Bestbuy Distributors Limited**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA469,062 for the trade-mark BEST AUTO & Design, shown below, and owned by Bestbuy Distributors Limited.



[2] The Registrar of Trade-marks sent a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to Bestbuy Distributors Limited (Bestbuy) on February 7, 2011, at the request of L.O.F., Inc. The notice required Bestbuy to furnish evidence showing that it had used the trade-mark BEST AUTO & Design (the Mark) in Canada, at any time between February 7, 2008 and February 7, 2011, in association with each of the wares and services specified in the registration, namely:

Wares: automotive parts namely replacement parts for all parts of automotive vehicles (the Wares).

Services: operation of outlets for the sale of automotive parts; retail sales of automotive parts (the Services).

[3] 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.” Mere claims of use are insufficient to show the use of the mark [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the criterion for establishing use is not very demanding and an overabundance of evidence is not necessary, sufficient facts must be presented to enable the Registrar to conclude that the trade-mark has been used in association with each ware or service mentioned in the registration during the relevant period [*Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)].

[4] In response to the Registrar’s notice, Bestbuy furnished an affidavit of Jim McManus, the Vice President Finance of Bestbuy.

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

[6] Generally speaking, the submissions of L.O.F., Inc. (the Requesting Party) on the evidence furnished by Bestbuy are that :

- (a) the McManus affidavit contains bald assertions of use that are insufficient to constitute evidence of use of the Mark;
- (b) the Mark as used is not the Mark as registered;
- (b) the use shown is not by Bestbuy, nor is it use that enures to Bestbuy’s benefit;
- (c) the Mark has not been used with the Wares; and
- (d) the Mark has not been used with the Services.

[7] I will first provide an overview of the evidence. I will subsequently discuss the issues that arise from the Requesting Party’s submissions, at which time I will discuss the evidence further.

[8] Mr. McManus explains that Bestbuy is an independent warehouse distributor of replacement parts for automotive vehicles. He states that Bestbuy has used the Mark during the relevant period in association with each of the Wares and Services, in the normal course of business, and continues to do so.

[9] Mr. McManus goes on to introduce evidence about the Best Auto program (the Program) of Bestbuy. The evidence includes the following:

- Bestbuy sells replacement automotive parts and warranty services to its affiliated intermediaries (jobbers), who supply these to installers (repair shops) enrolled in the Program. The repair shops then sell the parts to retail customers or install the parts into vehicles brought in for repairs. The repair shops also offer the Best Auto warranty on the parts and services provided to their retail customers.
- Only parts supplied by Bestbuy qualify for inclusion in the Program and the warranty coverage. Third parties that operate retail outlets and sell automotive parts and installation services to the public in association with the Mark must comply with the service standards imposed and enforced by Bestbuy.
- As part of its Program, Bestbuy sells starter kits to its jobbers and also charges a monthly fee for the services provided. The jobbers further sell the starter kits and charge a monthly fee to the repair shops enrolled in the Program. The starter kits include a basic starter kit and a “TIER I” starter kit. The “TIER I” starter kit is sold for a higher price than the basic starter kit because it offers a higher level of customized support to those repair shops enrolled in the Program.
- Repair shops participating in the Program retain their independent operations and their own name. They use the Mark, with the permission of Bestbuy, as retailers of products supplied by Bestbuy and of services authorized by Bestbuy.
- Bestbuy operates the website *www.bestautosolution.ca*. The “Shop Locator” tool allows retail customers to find a Best Auto affiliate service centre by province while the “Jobber Locator” tool allows repair shops interested in enrolling in the Program to find their regional jobbers.

[10] Mr. McManus also explains that, at one point in time, Bestbuy began using a modernized version of the Mark, with a partial maple leaf added to the upper right quadrant, as shown below (the modernized Mark); the Mark and the modernized Mark have both been used during the relevant period.



[11] Finally, the following are appended as exhibits to the McManus affidavit:

- a non-exhaustive list of automotive parts and categories of parts distributed in association with the Mark [Exhibit “B”];
- a copy of the cover of a promotional brochure for the Program [Exhibit “C”];
- a copy of the cover of a promotional brochure that describes the content of a basic starter kit [Exhibit “D”];
- a collage of pictures, including a picture of promotional materials included in a starter kit and a picture of the store front of a repair shop enrolled in the Program [Exhibit “E”];
- a copy of a promotional brochure that describes the content of the “TIER I” starter kit [Exhibit “F”];
- copy of an invoice dated June 20, 2010 for the sale of a starter kit to a repair shop located in St-Eustache, Quebec [Exhibit “G”];
- a copy of the French language warranty booklet for the Program [Exhibit “H”]; and
- print-outs of pages from the website for the Program [Exhibit “I”].

[12] I now revert to the issues that arise from the Requesting Party’s submissions.

[13] As a preliminary matter, I note that the Requesting Party both in written and oral representations objected to various exhibits to the McManus affidavit citing, among others, lack of completeness and precision. At the hearing, the Requesting Party went so far as to allege that the McManus affidavit was “carefully drafted”, implying that the affidavit was intended to obscure the true facts. I cannot subscribe to this view. Furthermore, I disagree with the Requesting Party’s contention that the McManus affidavit contains bald assertions of use that do not satisfy the requirements of section 45 of the Act.

[14] Accordingly, the issues that arise from the Requesting Party’s submissions are:

1. Does the evidence show use of the Mark during the relevant period?
2. Does the evidence show use of the Mark as registered?
3. Does the evidence show use of the Mark that enures to the benefit of Bestbuy?
4. Does the evidence show use of the Mark in association with the Wares?

5. Does the evidence show use of the Mark in association with the Services?

[15] As per my following discussion of each of these issues, I decide all of them in favour of Bestbuy.

*Does the evidence show use of the Mark during the relevant period?*

[16] This issue arises from the Requesting Party's submission that it cannot be concluded that undated material filed as exhibits to the McManus affidavit relate to the relevant period.

[17] It is not necessary to lengthily discuss this issue to find in favour of Bestbuy. Indeed, it is clear from Mr. McManus' statements that the material filed as exhibits to his affidavit were either distributed between February 7, 2008 and February 7, 2011 or is representative of the use of the Mark in Canada during that period.

*Does the evidence show use of the Mark as registered?*

[18] This issue arises from the Requesting Party's submissions that the use of the modernized Mark, including the version with "TIER I" superimposed on the partial maple leaf, does not constitute use of the Mark as registered [Exhibits "D", "F" and "I"].

[19] I decide this issue in favour of Bestbuy as I agree with its submissions that the Requesting Party's contention is irrelevant. It is clear from Mr. McManus' statement at paragraph 23 of his affidavit that the Mark and the modernized Mark have both been used during the relevant period.

[20] I wish to add that even if Bestbuy had only provided evidence of use of the modernized Mark during the relevant period, I would still have decided this issue in its favour. Indeed, I do not consider the modernized Mark to be a substantial deviation from the Mark as registered. Looking at the modernized Mark, I am satisfied that the dominant and essential feature of the Mark has been maintained; the Mark did not lose its identity and remained recognizable [*Canada (Registrar of Trade-marks) v Compagnie Internationale pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA); *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. Lastly, the addition of a partial maple leaf, including with "TIER I" superimposed on

it, is not likely to mislead, deceive, or injure the public in any way [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB)].

*Does the evidence show use of the Mark that enures to the benefit of Bestbuy?*

[21] This issue arises from the Requesting Party's submissions that the evidence provided by Bestbuy is insufficient to show that the use of the Mark by repair shops satisfies the requirements of section 50 of the Act. In this regard, section 50(1) of the Act requires the owner of a trade-mark to control, either directly or indirectly, the character or quality of the wares or services in order to benefit from the use of its trade-mark by a licensee.

[22] The Requesting Party submits that the evidence is insufficient because Bestbuy failed to produce a copy of the license agreement, identify the terms of the license, or provide actual evidence to show that it exercised the requisite control.

[23] By contrast, Bestbuy submits that the following sworn statement of Mr. McManus is sufficient to meet the requirements of section 50(1) of the Act [para 9 of the affidavit]:

Because only parts supplied by Bestbuy qualify for inclusion in the Best Auto program and in the Best Auto warranty coverage, Bestbuy exercises a strict control of the quality of the wares sold or installed by any third party distributor or installer in association with the [Mark]. Similarly, third parties that operate retail outlets and sell automotive parts and installation services to the public in association with the [Mark], must comply with services standards imposed and enforced by Bestbuy as a pre-condition to gaining and maintaining membership in the Best Auto program and permission to display such mark in their retail outlets.

[24] I agree with Bestbuy and so decide this issue in its favour. Indeed, it is well established that filing a copy of a license agreement is not mandatory in a section 45 proceeding provided that the evidence establishes that the registrant had control over the character and quality of the wares or services bearing the trade-mark. It has also been held that a clearly sworn statement is a sufficient method by which a registrant can demonstrate requisite control [*Empresa Cubana Del Tabaco v Shapiro Cohen*, 2011 FC 102 (FC); aff'd 2011 FCA 340].

*Does the evidence show use of the Mark in association with the Wares?*

[25] This issue arises from the Requesting Party's submissions that the McManus affidavit does not evidence use of the Mark in association with the Wares under section 4(1) of the Act, which reads:

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.

[26] Besides arguing the lack of evidence showing use of the Mark in association with the Wares, the Requesting Party points out that Bestbuy failed to provide any invoice evidencing sales of automotive parts. The Requesting Party further points out that there is no evidence establishing that Bestbuy manufactures automotive parts; it submits that it is more than likely that the automotive parts sold by Bestbuy during the relevant period, if any, were associated with another trade-mark than the Mark, such as MONROE shocks or BFGoodrich tire. At the hearing, the Requesting Party particularly drew my attention to the fact that the French language warranty booklet referenced "*tel que stipulé par la garantie du fabricant*" (in English, "as stipulated by the manufacturer's warranty") [Exhibit "H"].

[27] At this juncture, I note that I will not discuss further any of the Requesting Party's submissions intended to cast doubt on whether the Mark has been used for the purpose of distinguishing the Wares, or so as to distinguish them. I agree with Bestbuy that those submissions are not relevant to the issue of whether the Mark, as it appears in the Register, has been used in association with the Wares under sections 4(1) and 45 of the Act. Section 45 proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark [*United Grain Growers Ltd v Lang Michener* (2001), 12 CPR (4th) 89 (FCA)]. Issues of distinctiveness are more properly dealt with by way of application to the Federal Court pursuant to section 57 of the Act.

[28] Also, even though Bestbuy did not provide invoices showing sales of automotive parts, this is not fatal to its case. For one thing, 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]. Further, I agree with Bestbuy's oral submissions that it is only common sense to conclude that the repair shops enrolled in the Program could not operate without automotive replacement parts.

[29] Applying common sense to this case, it is my view that the evidence is sufficient to conclude that Bestbuy, in its normal course of trade, sold the Wares to its jobbers, who in turn supplied the Wares to repair shops enrolled in the Program; as part of their operations, the repair shops then sold the Wares to customers. Accordingly, the issue is not whether there have been sales of the Wares. Rather the issue is whether the evidence shows that the Mark was associated with the Wares at the time of the transfer of the property in or possession of the Wares.

[30] Bestbuy does not dispute that the Mark has not been used by being marked on the Wares themselves or on the packages in which the Wares were distributed. Bestbuy submits that it has instead chosen to use the Mark, through the repair shops, on in-store displays, advertising, warranty and service scheduling materials and promotional material at the time of transfer of the property in or possession of the Wares. It further submits that some of the promotional materials received by the customer at the time of transfer of the Wares or performance of the Services remained with the customer long after the transaction was completed.

[31] While there is merit to Bestbuy's contention that there are "open-ended possibilities" for creating a notice of association between a trade-mark and wares, I still need to decide whether the evidence in this case is sufficient for me to conclude to a notice of association. This leads me to turn to the evidence relied upon by Bestbuy.

[32] Bestbuy draws attention to the following evidence [para 14 of the McManus affidavit]:

- the receipt of invoice for the purchase is handed to the customer in a receipt wallet bearing the Mark;
- a static cling label bearing the Mark is affixed to the interior of the consumer's car windshield reminding the consumer of the next service due date, including for those auto parts that require inspection or replacement according to a schedule;
- a key tag displaying the Mark is attached to the consumer's car key and remains with the consumer after he leaves the auto repair shops; and



- the customer is given a warranty booklet displaying the Mark; the terms of the warranty are explained to the customer, especially the fact that the warranty on *parts* and labour is honoured nationally by repair shops enrolled in the Program.

[33] While Mr. McManus provided a specimen of a French language warranty booklet, he did not provide specimens of a receipt wallet, static cling label and key tag as such. However, a receipt wallet, static cling label and key tag displaying the Mark are shown by the promotional brochure describing the content of a basic starter kit or by the pictures of promotional materials included in the starter kit filed as Exhibits “D” and “E”. Given that the Requesting Party rightly submits that use of the Mark in advertising or promotional material is not in itself sufficient to constitute use in association with the Wares, I stress that Bestbuy does not rely on Exhibits “D” and “E” as specimens of use of the Mark in association with the Wares. Rather, it relies on those exhibits to show that warranty booklets, receipt wallets, static cling labels and key tags displayed the Mark.

[34] In the circumstances of this case, I am satisfied that the appearance of the Mark on the receipt wallets and the warranty booklets sufficed to give the notice of association required by section 4(1) of the Act and so I decide the issue in favour of Bestbuy.

[35] I should mention that Bestbuy did not convince me that the appearance of the Mark on static cling labels and key tags gave a notice of association between the Wares and the Mark. I view the appearance of the Mark on those items as use in the advertising or performance of the repair shops’ services. This remark leads me to turn to the last issue arising in this proceeding.

*Does the evidence show use of the Mark in association with the Services?*

[36] I find at the outset that the McManus affidavit provides sufficient evidence to conclude that the Mark has been used in association with the performance and advertising of the repair shops’ services, as would be required under section 4(2) of the Act. Indeed, the appearance of the Mark on advertising material and signage shown by Exhibits “D” and “E”, such as on receipt wallets, static cling labels, key tags, storefront of repair shops, window decals and indoor signage, qualifies as use of the Mark in the performance and advertising of such services.

[37] However, the issue is whether the McManus affidavit establishes that the Mark has been used in association with the services *as registered*, i.e. “*operation of outlets for the sale of automotive parts; retail sales of automotive parts*”.

[38] I should first address the Requesting Party’s reliance on the decision *Gowling Lafleur Henderson LLP v Groupe Cantex Inc*, 2011 TMOB 198 in support of its case. At the oral hearing, the Requesting Party argued that the facts in this proceeding are similar to those in *Groupe Cantex* where the evidence furnished by the registrant was found insufficient to show use of the trade-mark in association with the operation of retail business selling electronic products. To better understand the Requesting Party’s submissions, I find it useful to reproduce paragraphs 20 and 21 of the cited decision:

[20] Returning to the issue of the nature of the Registrant’s services, I am of the view that the “operation of retail businesses” requires that the Registrant (or a licensee) actually provide retail store services. These services can be provided through a physical “bricks and mortar” store [...], or through mail order [...], or through the Internet [...]. More specifically, with respect to the Internet, the operation of a website accessible to Canadians that provides information and pricing on specific products, has been considered “retail store services” [see *TSA Stores Inc. v. Canada (Registrar of Trade-marks)* (2011), 91 C.P.R. (4th) 324 (F.C.T.D.)] [TSA].

[21] Unlike the facts in *TSA* however, the Registrant’s websites do not offer retail services such as pricing or product information for the end consumer; rather they provide information for retailers and encourage consumers to purchase from (independent, neighborhood) retailers who do have a geographic location. The Registrant appears to operate a wholesale business of sourcing products and providing them to independent retailers with the attendant warranty and guarantee services; the retailers then sell these products to end consumers. Its services may support retailers and the Mark may appear on flyers to indicate to the consumer that the products are affordable and reliable brand name products just as in a large chain electronics stores; but this is not “operation of retail businesses”. I am willing to agree that the advantages of membership with the Registrant may be passed on to the consumer, and thus the Mark may have relevance to the end consumer, but, in my view, a wholesaler that stands behind its products is not necessarily in the “operation of retail businesses...”.

[39] Bestbuy disputed the Requesting Party’s contention; it argued, among others, that the evidence in this case establishes more than “a wholesaler that stands behind its products”.

[40] I agree with the Requesting Party that the facts in *Groupe Cantex* are somewhat similar to those before me. However, it is trite law that each case must be decided based upon its own

merit. Further, I find that the present case is distinguishable from *Groupe Cantrex*, if only because Besbuy does not contend that the Services have been performed through its website, which I understand was the registrant's main contention in *Groupe Cantrex*.

[41] In a nutshell, the Requesting Party's submissions in support of its contention that the use of the Mark by means of the Program is not use in association with the Services are that:

- (a) the Program offered by Bestbuy to jobbers and repair shops is a marketing program;
- (b) the *operation of outlets for the sale of automotive parts* actually requires Bestbuy to have a bricks-and-mortar store; and
- (c) the services of the repair shops are the servicing of automotive vehicles, not the retail sales of automotive parts. The services "*retail sales of automotive parts*" must be understood as a store selling automotive parts.

[42] At this juncture, I reproduce an excerpt of the Requesting Party's written submissions about the invoice dated June 20, 2010 documenting the sale of a starter kit to the repair shop G.C.M PIÈCES D'AUTO in St-Eustache [Exhibit "G"]:

- 30. [...] G.C.M. PIÈCES D'AUTO is clearly not "a repair shop", as its brand name reads "Pièces d'auto", which is translated to mean "Auto Parts". The purchaser clearly sells "Auto Parts" and nothing says, nor shows that G.C.M. PIECES D'AUTO repairs vehicles or sells BEST AUTO & Design branded automobile parts. [Underlining added]

[43] Although made in the context of the use of the Mark in association with the Wares, it is my respectful view that those submissions of the Requesting Party contradict its submissions about the repair shops not being involved in the retail sales of automotive parts, particularly as I have no reason to doubt that G.C.M. PIÈCES D'AUTO was a repair shop enrolled in the Program.

[44] Bestbuy reiterates its call for a common sense approach. It submits that:

- (a) the servicing of vehicles requires the retail sales of parts to consumers; and

(b) the sales of automotive parts and the servicing of automotive vehicles routinely go together. A consumer may buy parts at repair shop without requiring that it be installed by the shop.

[45] Bestbuy also calls for a common sense approach when dealing with the “bricks-and-mortar store” argument. It submits that it must be concluded that it has operated an outlet that sells automotive parts; otherwise, how else would the automotive parts find their way into the hands of the jobbers and the repair shops? While Bestbuy at the hearing kept disputing the Requesting Party’s “bricks-and-mortar store” argument, it provided an alternative argument, i.e., the use of the Mark by the repair shops in the operation of their outlets serves to establish use of the Mark in association with the operation of outlets for the sale of automotive parts.

[46] I will not further discuss the “bricks-and-mortar” argument as I agree with Bestbuy that the licensed use of the Mark at the outlets operated by the repair shops amounts to use in the “operation of outlets”. Accordingly, the issue remains whether the use of the Mark in association with the services performed or advertised by the repair shops correspond to “operation of outlets *for the sale of automotive parts*; retail sales of automotive parts”.

[47] I have previously found that the evidence is sufficient to conclude that repair shops enrolled in the Program have sold automotive parts as part of their operations. Even if I am prepared to accept the Requesting Party’s contention that the primary business of the repair shops was the servicing of vehicles, it does not convince me to decide the issue in its favour. Instead, I agree with Bestbuy that in the circumstances of this case I may conclude to the use of the Mark in association with the services as registered.

[48] Indeed, it has been held that services should be given a generous or broad interpretation. The law is clear that there is no distinction in the Act between primary, incidental or ancillary services. As long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service [*Société Nationale des Chemins de Fer Français SNCF v Venice Simplon-Orient-Express Inc et al* (2000), 9 CPR (4th) 443 (FC); *TSA Stores, supra*].

Disposition

[49] In view of all of the foregoing, I am satisfied that the evidence shows use of the Mark during the relevant period, in Canada, in association with the Wares and Services within the meaning of sections 4 and 45 of the Act and that such use enured to the benefit of Bestbuy under section 50(1) of the Act.

[50] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, I conclude that registration No. TMA469,062 will be maintained in compliance with the provisions of section 45 of the Act.

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Céline Tremblay  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office