

**IN THE MATTER OF AN OPPOSITION
by Alltemp Products Company Limited to
application No. 1,159,457 for the trade-
mark ROTOMOTION in the name of Bit
Holder Inc.**

On November 19, 2002, Mark A. Koch filed an application to register the trade-mark ROTOMOTION (the “Mark”), which was assigned serial number 1,159,457. The application is based upon proposed use of the Mark in Canada in association with drill attachments, drill driver attachments, bit holders, and drill drivers.

The application was advertised for opposition purposes in the Trade-marks Journal of October 1, 2003.

On November 20, 2003, Alltemp Products Company Limited (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement, in which it denied the Opponent’s allegations.

On May 19, 2004, the Canadian Intellectual Property Office recorded an assignment of application No. 1,159,457 in favour of Bit Holder Inc. The word “Applicant” will be used to refer to either the original applicant, Mark A. Koch, or the current applicant, Bit Holder Inc., depending on the point of time being referred to.

The Opponent’s r. 41 evidence consists of the affidavit of James R. K. MacKenzie.

The Applicant’s r. 42 evidence consists of the affidavits of Fern Beauchamp and Penny Fede. The Opponent obtained an order for the cross-examination of Mr. Beauchamp on his affidavit and a copy of the transcript of the cross-examination, as well as exhibits thereto and answers given to undertakings, form part of the record.

By letter dated November 7, 2005, the Opponent was granted leave to amend its statement of opposition.

As r. 43 evidence, the Opponent filed a second affidavit of Mr. MacKenzie.

Each party filed a written argument. Neither party requested an oral hearing.

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The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”). There is however an initial burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. [See *John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

Section 12(1)(d) Ground of Opposition

The Opponent pleaded that the Applicant’s Mark is not registrable pursuant to s. 12(1)(d) of the Act because the Mark is confusing with the trade-mark ROTOM MOTORS registered in Canada by the Opponent under No. TMA253,124. However, it withdrew this ground of opposition in its written argument, presumably because registration No. TMA253,124 was expunged on December 24, 2004 for failure to show use [see Exhibit “B”, Fede affidavit].

Section 16(3)(a) Ground of Opposition

The Opponent has also pleaded that the Applicant is not the person entitled to registration pursuant to s. 16(3)(a) on the basis that the Mark is confusing with the marks ROTOM, ROTOM MOTORS and ROTOM MOTION, which had been previously used in Canada by the Opponent in association with electrical motors; electrical motor parts, namely switches, brushes and wire for rewinding, and electrical motor components parts namely motor bases, fan blades and shaft adaptors.

With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-marks prior to the Applicant’s filing date and non-abandonment of its marks as of

the date of advertisement of the Applicant's application [s. 16].

Mr. MacKenzie, the Opponent's Secretary, attests that the Opponent is a manufacturer and distributor of motors and related parts and accessories. He provides pages from the Opponent's website dated 7/14/04 which seem to indicate that the Opponent associates the trade-mark ALLTEMP with its refrigeration and air conditioning components, heating components, electrical components and service tools and ROTOM with its electric motors and accessories. However, Mr. MacKenzie states that the Opponent has marketed a wide range of electric motors and various components for the refrigeration, heating, ventilation, air-conditioning, appliance, plumbing and electrical industries in association with the trade-marks ROTOM, ROTOM MOTORS and ROTOM MOTION since at least as early as February 1980.

Mr. MacKenzie provides copies of the Opponent's ROTOM catalogues from the years 1981, 1984, 1989, 1995/6, 1998, 2003 and 2004. Each of these catalogues appears to display the ROTOM mark on every page. He states that since 1980 all of the ROTOM electric motors and components sold in Canada have been marked with the trade-marks ROTOM and ROTOM MOTORS. As Exhibit "F", he provides "an assortment of plates and labels affixed to the products, together with various packaging materials, all illustrating the manner in which the ROTOM and ROTOM MOTORS trade-marks have historically been used in Canada and are currently used in Canada in association with electric motors and electric motor components." Some of the materials in Exhibit "F" display the mark ROTOM *simpliciter*. Some of the materials display ROTOM with the words MOTORS/MOTEURS appearing below in much smaller letters. It is questionable if this qualifies as use of the trade-mark ROTOM MOTORS, but I need not decide this for the simple reason that I cannot tell from the evidence which wares were associated with which labels, or when. Therefore, I am only willing to accept that labels displaying the mark ROTOM were attached to the Opponent's electric motors and components over the years.

As it is not clear that the Opponent used ROTOM MOTORS as a trade-mark in Canada prior to November 19, 2002, the s. 16(3)(a) ground cannot succeed on the basis of that mark.

Also, because there is no evidence of any use of ROTOM MOTION at any time, the s. 16(3)(a) ground cannot succeed on the basis of that mark. (I note that the Opponent's written argument does not refer to ROTOM MOTION in its discussion of the s. 16 ground.)

That leaves the ROTOM mark. In order to satisfy its initial burden, the Opponent must show that it used ROTOM in accordance with s. 4 of the Act, as of the material date. The pertinent portions of s. 4 are reproduced below:

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) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

The question therefore becomes whether the Opponent has "shown" any sales of its ROTOM wares prior to November 19, 2002. On July 15, 2004, Mr. MacKenzie attested that the sales of ROTOM brand electric motors and electric motor components in Canada over the past 24 years have been in excess of \$140 million. Although it seems unlikely that all those sales took place in two years, that is not a clear statement that there were sales prior to November 19, 2002. The only other evidence concerning sales in Canada is Exhibit "G", which is "a list of retailers including Home Depot, Home Hardware and Sears, detailing their purchase of ROTOM brand products from Alltemp over the past three years." Although it was not obvious, I have determined that this list indicates that there were at least some sales to Home Depot in the second quarter of 2002 of some ROTOM heater motors (part #O6-R212). I therefore find that the Opponent has met its initial burden with respect to its s. 16(3)(a) ground, so far as the ROTOM mark is concerned.

the test for confusion

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decisions in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

Each mark is an invented word, but the Applicant's Mark suggests the words "rotary motion".

The Opponent's mark ROTOM is a reverse spelling of the word "motor". However, I agree with the Opponent that the ordinary consumer would not recognize this.

The strength of a trade-mark may be increased by means of it becoming known through promotion or use. As of the material date of November 19, 2002, I can only conclude that the Opponent's mark was more known than was the Applicant's proposed use Mark. However, as the Opponent's sale and advertising details have not been broken down as of this date, I cannot assess the extent to which the Opponent's mark had become known as of November 19, 2002.

s. 6(5)(b) - the length of time each trade-mark has been in use

The Opponent claims use since at least as early as February 1980. The Applicant claims use since at least as early as April 2003, which of course postdates the material date with respect to this ground.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

The Opponent is a manufacturer and distributor of motors and related parts and accessories for the refrigeration, heating, ventilation, air-conditioning, appliance, plumbing and electrical industries. It makes its products and parts available to original equipment manufacturers, wholesalers and retailers.

The Applicant manufactures drill attachments, drill driver attachments, bit holders and drill drivers, which it distributes at the wholesale level.

Both parties include Home Hardware as a client.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

It is a well-accepted principle that the first portion of a trade-mark is the most relevant for the purposes of distinction. [*Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]

I agree with the Applicant that the first two syllables of its Mark are ROTO, not ROTOM as argued by the Opponent, since there is no reason to assume that the distinct and common word MOTION would not be recognized and pronounced as such by the ordinary consumer when faced with the mark ROTOMOTION.

Visually and aurally, ROTOM and ROTOMOTION are distinguished by their lengths. In idea suggested, the reaction to ROTOM may be simply that it is an invented word whereas ROTOMOTION suggests a rotary motion.

further surrounding circumstances

i) state of the marketplace

Ms. Fede, a legal secretary, conducted a search of the Canadian Trade-marks database for “ROTO prefixed trade-marks” and located the following registered marks:

1. ROTO BRUSH owned by Roto Brush Ltd. for rotary brush head for power tools
2. ROTOR TOOL owned by The Rotor Tool Company for portable, handheld, pneumatically powered assembly tools, metal removal tools, high-cycle electric grinders, and wire-clenching tools
3. ROTOTILT owned by Indexator AB for digging machines, namely backhoes and excavators; mobile log hoists, grapple loaders and cranes for lifting and hoisting purposes; parts and fittings for all aforesaid goods, in particular, rotating and tilting hydraulic motors, so called rotators
4. ROTO-FINISH owned by Roto-Finish Company, Inc. for aggregates comprising crushed rock fragments for use in tumbling barrels for polishing purposes ... deburring, cleaning, descaling, burnishing, finishing, and polishing apparatus; electric motors and chemical compounds or compositions for use in or in connection with deburring, cleaning, descaling, burnishing, finishing, and polishing
5. ROTO-KING owned by Viking Pump, Inc. for rotary pump structure usable as both a liquid pump or a hydraulic motor and parts for the foregoing
6. ROTARY owned by John Crane Sealol Inc. for mechanical seals used in pumps in automotive air conditioning systems and in pumps in tracked vehicles; mechanical seals in pumps in the chemical process industry
7. ROTO-SIEVE owned by Roto-Sieve Filter AB for separators and for separators adapted accessories and parts, namely, engines, pumps, conveying equipment, clutches and driving belts, all these goods for use in purifying plants and paper mills; equipment and apparatus for industrial dewatering, especially for the dewatering of sludge, namely presses, filters and strainers
8. ROTO-CYCLE owned by Roto-Finish Company, Inc. for wastewater treatment chemicals for industrial use; finishing and washing compounds for deburring, cleaning, degreasing, polishing, descaling, and burnishing metals, wastewater treatment systems ...

9. ROTO-MAX owned by Roto-Finish Company, Inc. for rotary tub-type deburring, cleaning, descaling, burnishing, finishing, and polishing apparatus, parts thereof and electric motors therefore
10. ROTO-MAX owned by Rotobec Inc. for rotors for material handling attachment
11. ROTO-PRIME owned by The Gorman-Rupp Company for fluid transfer pumps
12. ROTO-JET owned by Envirotech Pumpsystems, Inc. for hydraulic pumps, particularly pitot pumps
13. ROTO-MATIC owned by Electrolux Home Care Products Ltd. for vacuum cleaners, parts thereof and attachments thereof
14. ROTOMATIC & Design owned by Nevco Scoreboard Company ULC for scoreboards, message centre displays, digital clocks, zip change letters
15. ROTOMETRICS owned by Roto-Die Company, Inc. for cutting dies, mechanical gears, power-operated special application die cutting tools and machines, embossing rolls and print cylinders for machines...
16. THE ROTOMETRICS GROUP owned by Roto-Die Company, Inc. for tools and dies for the converting (printing and packaging) industry
17. ROTOZIP owned by Credo Technology Corporation for motor-driven power cutting tools and parts therefore; power tool attachments
18. ROTO-MAJIC owned by Robert McKill for a gardening tool that roto-tills, mixes, mulches, extracts weeds, creates holes for planting bulbs and starter plants when attached to a power drill
19. ROTAMOLE owned by British Gas PLC for apparatus for installing underground pipes, cables, ducts and elongate hollow members...
20. ROTO-MIX owned by Roto-Mix, Inc. for feed mixers

In addition, Ms. Fede attested that she bought ROTOZIP cutting bits at a Home Hardware Store.

State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.

(3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

Twenty marks is a sufficiently large number to make some inference about the state of the marketplace, but the question is what inference can be made from the marks located. I conclude that the search results support an inference that Marks commencing with ROTO are common in the marketplace for various types of machinery and tools.

Before proceeding, I note that Mr. Beauchamp attested that in addition to selling the ROTOMOTION wares, Home Hardware stores sell the ROTOZIP line of tools and ROTO-MAJIC gardening tools.

conclusion re likelihood of confusion

As stated at paragraph 33 of the *Veuve Clicquot Ponsardin* decision (*supra*), “Section 6(2) recognizes that the ordinary somewhat-hurried consumer may be misled into drawing the mistaken inference ‘whether or not the wares or services are of the same general class’, but it is still a question for the court as to whether in all the circumstances such consumers are *likely* to do so in a particular case.” Having considered all of the surrounding circumstances, I find that the Applicant has satisfied its onus to show that, on a balance of probabilities, confusion between the marks is unlikely. This is primarily because of the differences between the parties’ wares and the state of the marketplace, as well as the differences between the marks. The Opponent does not own a family of ROTOM or ROTO prefixed marks; instead the state of the register evidence shows that many other parties use similar marks in association with products that are somewhat similar to the Opponent’s ROTOM wares. In the circumstances, I find that the differences between ROTOM and ROTOMOTION are sufficient to make confusion unlikely, particularly as their associated wares do not overlap. The fact that both parties’ wares may be sold in Home Hardware stores is not decisive regarding the issue of the likelihood of confusion for several reasons: hardware stores sell a wide variety of wares; there is no evidence that the two parties’ wares would be sold in close proximity within such stores; and there is evidence that Home Hardware also carries wares from third parties that are associated with ROTO-prefixed marks.

The s. 16(3)(a) ground is accordingly dismissed.

Distinctiveness Grounds of Opposition

There are two distinctiveness grounds of opposition.

First, the Opponent has pleaded that the Mark is not distinctive and is not capable of distinguishing the Applicant's wares from the Opponent's wares.

In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition (November 20, 2003) ROTOM had become known sufficiently to negate the distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.); and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.)].

Mr. MacKenzie's evidence satisfies the Opponent's initial burden. However, for reasons similar to those set out above with respect to the s. 16 ground of opposition, I find that the Applicant has met its legal burden, with the result that this ground also fails.

Second, the Opponent has pleaded that the Mark is not distinctive, in that it does not actually distinguish the wares in association with which it is used by Bit Holder Inc. from the wares of Mark A. Koch.

This ground was added after the Applicant conducted its cross-examination of Mr. Beauchamp. Mr. Beauchamp was a Director and President of Bit Holder Inc. up until November 26, 2004. The cross-examination was somewhat unique in that the lawyer/trade-mark agent representing Bit Holder Inc. is Mr. Koch, the original owner of the application at issue. Furthermore, Mr. Beauchamp (who was at the time of the cross-examination still a shareholder of Bit Holder Inc.) attested that any information that he has concerning the activities of Bit Holder Inc. after November 26, 2004 come from Mr. Koch, who is now the President of Bit Holder Inc. [Questions 7-9]

Mr. Beauchamp, who apparently is the inventor of the products being marketed by the Applicant, was not knowledgeable about the legal points of ownership of the Mark, *etc.* This resulted in a rather choppy cross-examination, with Mr. Koch interjecting frequently to explain issues to Mr. Beauchamp or to refresh Mr. Beauchamp's memory. Despite several misstatements by Mr. Beauchamp, which required correction, an overall view of the cross-examination leaves me to understand the facts to be as follows.

Mr. Koch and Mr. Beauchamp were partners as of November 19, 2002. The two individuals had incorporated Bit Holder Inc. prior to that date but because the partners were uncertain at that time as to where they wanted the intellectual property to reside, it was agreed that Mr. Koch would file the application for ROTOMOTION in his name. There was always an understanding that any company/entity that would be bringing Mr. Beauchamp's inventions to market would have the right to use the Mark under the control and direction of Mr. Koch. Thus, an oral licence from Mr. Koch to Bit Holder Inc. was in place from November 19, 2002 until the trade-mark rights were assigned to Bit Holder Inc. on April 2, 2004. Meanwhile, Mr. Koch, who was a director of Bit Holder Inc., exercised control over the licensed ROTOMOTION wares by overseeing the engineering quality of the wares and their packaging. Apparently the assignment took place in order to shield the individuals from some potential legal liability. After the assignment, Mr. Koch continued to monitor the quality of the ROTOMOTION wares in his capacity as Director of Bit Holder Inc.

In order to meet its evidential burden with respect to this second distinctiveness ground, the Opponent must show that as of the filing of the opposition ROTOMOTION had become known sufficiently as indicating the source of Bit Holder Inc. that it negated the distinctiveness of the Mark in the hands of Mr. Koch (who was the owner on November 20, 2003).

At paragraph 2 of his affidavit Mr. Beauchamp attested, "Bit Holder Inc. has been using the trademark ROTOMOTION in Canada in association with drill attachments, drill driver attachments, bit holders, drill drivers since at least as early as April, 2003." The packaging provided says that the product is made by Bit Holder Inc. Although TM appears after

ROTOMOTION, there is no notice concerning the ownership of the trade-mark and no reference to Mr. Koch on the packaging.

First, I would point out that purchasers need not know who is the source of a trade-marked good in order for a trade-mark to be distinctive. Rather, it is important that purchasers do not associate multiple sources with the trade-marked wares. Second, it is not necessary that the name of the trade-mark owner appear on packaging, nor is it necessary that a licensee be identified as such. That information is necessary if one wants to claim the benefit of s. 50(2) of the Act, but the present Applicant is not relying on s. 50(2). Instead, the Applicant's position is that the use of the Mark by Bit Holder Inc. (prior to that company acquiring the Mark) was use that enured to the benefit of the trade-mark owner, Mr. Koch, pursuant to s. 50(1). Section 50(1) provides:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

The Applicant's evidence is that Mr. Koch had given Bit Holder Inc. an oral license to use the Mark and that Mr. Koch did control the character and quality of the wares in various ways. Accordingly, the use by Bit Holder Inc. would have been deemed to have been use by Mr. Koch pursuant to s. 50(1). Since use by Bit Holder Inc. and by Mr. Koch are deemed to be one and the same, Bit Holder Inc.'s "use" would not have detracted from the distinctiveness of Mr. Koch's mark.

The second ground of distinctiveness is accordingly dismissed.

Section 30(e) Ground of Opposition

The Opponent has pleaded that the application does not comply with the requirements of s. 30(e) of the Act because the Applicant did not in fact intend to use the Mark in Canada in association with the wares listed in the application, as of the filing date of the application.

Section 30(e) reads as follows:

An applicant for registration of a trade-mark shall file with the Registrar an application containing ... in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada.

As pointed out during the cross-examination, the application at issue was filed using the following language:

The applicant [Mr. Koch] intends to use the trade-mark in Canada with the following specific goods...”

In its written argument, the Opponent accepted that this wording formally complies with the requirements of s. 30(e) but submitted that the Applicant had not substantively complied with s. 30(e) in that the statement was not true in that Mr. Koch did not intend to use the Mark in Canada; rather Mr. Koch intended to use the Mark in Canada through a licensee.

Since the facts regarding the Applicant’s intentions are particularly within the knowledge of the Applicant, the initial burden on the Opponent is lighter than usual regarding s. 30(e) [*Molson Canada v. Anheuser-Busch Inc.* (2003), 29 C.P.R. (4th) 315 (F.C.T.D.)]. Also, the Opponent may rely upon the Applicant's evidence to meet its initial burden, but the Opponent must show that the Applicant's evidence is clearly inconsistent with the Applicant's claim [see *York Barbell Holdings Ltd. v. ICON Health & Fitness Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)].

The evidence on point from the cross-examination is as follows:

Q96: And the trademark application for Rotomotion that we’re currently involved in these opposition proceedings over, that application was also filed in the name of Mr. Koch; is that correct?

A: That’s correct.

Q97: Okay. And who owned the trademark when use of the trademark commenced as you state in paragraph 2 in April 2003?

A: Mark.

Q98: Mr. Koch, okay.

A: Mr. Koch.

...

Q99: And was Bit Holder Inc. a licensee of Mr. Koch with respect to the Rotomotion trademark as well? The company had permission from Mr. Koch again as we were talking about?

A: Yes.

Q100: Okay. And, again, dealing with the Rotomotion trademark now was there a written license agreement?

A: Not that I know of.

Q101: Okay. What were the terms of that oral license agreement?

A: The terms, you mean who had permission to use Rotomotion as a trademark for a tool?

Q102: Yes. Yes. Anything else?

A: I have verbal agreement, that's all.

Q103: And any other terms?

A: No.

Q104: Did Bit Holder Inc. have to do any – give anything to Mr. Koch?

A: No, no.

Q105: Did they have to give him the right to control the quality?

A: He controlled the quality.

Q106: Okay. And that was a term of the agreement?

A: He was a director.

Q107: Okay. Did he control the quality as – just because he was a director or because he was the trademark owner?

A: I would say both.

Q108: Okay. And when was the license agreement entered into with respect to the Rotomotion trademark?

A: I think it was in 2003 --

...

Q109: When you filed it do you mean?

A: I think it was at that time.

Q110: Okay.

Mr. Koch: There was always an understanding between Fern and myself that the company or any entity that would be bringing his invention to market would have the right to use that trademark under my control and direction.

...

Mr. Koch: Would you agree with that, Fern?

A: Yes, yes. ...

I have reviewed the case law concerning other applications where an applicant did not allude to a licensee in its application even though the use was to be by a licensee and provide the following summaries:

Superdollar Stores Ltd. v. Dollar General Corp., 1998 CarswellNat 3379 (T.M.O.B.): The application contained the same wording as that used in the present application and the then Chairman of the Board wrote at paragraph 6:

While the wording of paragraph 3 of the applicant's application does not conform to the specific wording of Subsection 30(e), the claim that the applicant itself intends to use its trade-mark in Canada meets the requirements of Subsection 30(e) if it is not the applicant's intention to license its trademark in Canada. In this regard, no evidence has been furnished by the opponent to show that the applicant intends to use its trade-mark DOLLAR GENERAL in Canada through a licensee. I have therefore dismissed the Subsection 30(e) ground.

Atlantic Queen Sea Foods Limited v. Frisco-Findus S.A. (1992), 44 C.P.R. (3d) 261 (T.M.O.B.): In this case, it appeared that the applicant's true intention was to have a licensee use the mark. Since the applicant did not refer to a licensee (registered user) in its proposed use application and did not file any evidence to show that it intended the mark to be used by both it and the licensee, the application was refused under s. 30(e).

Hunter Douglas Canada Ltd. v. Flexillum Inc. (1983), 78 C.P.R. (2d) 212 (T.M.O.B.): In an application filed under the *Trade Marks Act*, R.S.C. 1970, c. T-10, the applicant made no reference to a registered user but the evidence showed that a licensee was to be the user. In refusing the application, Board Member Martin wrote, at paragraph 29:

... The wording of s. 29(e) [the former version of s. 30(e)] of the Act is clear and was obviously intended to prevent applicants from trafficking in trade marks. Although it is clear from the evidence of record that it was not the applicant's intention to engage in such an activity, it has unfortunately brought itself within the boundaries of the prohibition designed to prevent such abuses. Furthermore, the provisions of the *Trade Marks Act* relating to proposed use applications comprise a statutory exception to the common law which dictates that trade mark rights only accrue as a result of use. This, as with other statutory exceptions to the common law found in the Act (such as, for example, the registered user provisions in s. 49 of the Act), the provisions relating to proposed use applications should be construed strictly.

In chapter five of *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th Edition, by R. Scott Jolliffe and Kelly A. Gill, the authors write at page 44:

Section 30(e) requires the applicant for a proposed trade-mark to state that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada. The statement therefore contains two aspects: firstly, it must state an intention to use the trade-mark; and, secondly, it must state who is intending to use the trade-mark, the applicant, a licensee, or both.

In the present case, the Applicant did state an intention to use the Mark, but it did not accurately state who was intending to use the Mark. As in the *Hunter Douglas* case, I am not saying that the Applicant intended to engage in trafficking. Rather, the Applicant “has unfortunately brought itself within the boundaries of the prohibition intended to prevent such abuses.” In these circumstances, the application is refused for non-compliance with s. 30(e).

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application pursuant to s. 38(8).

DATED AT TORONTO, ONTARIO, THIS 30th DAY OF AUGUST 2007.

Jill W. Bradbury
Member
Trade-marks Opposition Board