



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

Citation: 2015 TMOB 52
Date of Decision: 2015-03-25

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Moffat & Co. against registration
No. TMA263,770 for the trade-mark SANI-PRO &
DESIGN in the name of Big Erics Inc.**

[1] At the request of Moffat & Co. (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) on February 7, 2013 to Sani Pro Inc., the registered owner at that time of registration No. TMA263,770 for the trade-mark SANI-PRO & DESIGN (the Mark), shown below:



[2] The Mark is registered in association with the following goods:

- (1) Hand and face soap, soap for general purpose cleaning, cleaners for floors, equipment and fixtures, disinfectants for hospitals, clubs, hotels and institutions, general purpose washing solutions for floors, walls, fixtures and equipment; drain pipe cleaners, cleaning and disinfectant solutions for use in food plants, papermills, bottling plants and for use in buildings, offices and schools; air deodorants and fresheners; insecticides; furniture polish, stainless steel polish, glass cleaners and general purpose cleaners.
- (2) Chain lubricants, car washing compounds and dish washing solutions.
- (3) Towel cabinets, waste baskets, soap dispensers, floor maintenance equipment, namely, floor machines, vacuums, mopping pails, sand urns, garbage cans; food service and commercial equipment, namely, deep fryers, griddles, ranges, ice-cubers, refrigerators, food cooking machines, glass washers, dish washers, coffee makers, toasters, microwave ovens, mixers, blenders, food warmers, restaurant and cafeteria chairs and tables.

[3] The notice required the registered owner to furnish evidence showing that the Mark was in use in Canada, in association with each of the goods specified in the registration, at any time between February 7, 2010 and February 7, 2013. If the Mark had not been so used, the registered owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] Subsequent to the issuance of the notice, the registration was amended to reflect a change in the name of the registered owner, to Big Erics Inc. (the Owner). This change in name is not at issue in this proceeding.

[5] The relevant definition of use with respect to goods is set out in section 4(1) of the Act as follows:

4(1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the goods specified in the registration during the relevant period.

[7] In response to the Registrar's notice, the Owner furnished the affidavit of Edwin W. Stratton, President of the Owner, sworn on September 9, 2013. Neither party filed written representations; only the Requesting Party was represented at an oral hearing held on November 28, 2014.

The Owner's Evidence

[8] In his affidavit, Mr. Stratton attests that the Owner is a distributor of a variety of products, including sanitation equipment, food service equipment, industrial chemicals and

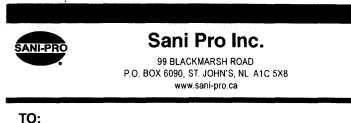
automotive detailing supplies. He states that while the Owner sells its goods to industrial, commercial and domestic end-consumers, it mostly sells its goods to larger companies in the industrial, sanitation, hospitality, food service, janitorial and automotive industries.

[9] Mr. Stratton attests that the Mark is a “house brand” that was used by the Owner during the relevant period. He explains that, during the relevant period, goods were ordered from the Owner by telephone or through one of its salespeople. Goods would be prepared for delivery or pick-up at the Owner’s warehouse, which included packaging the goods, affixing labels to the packaging and then were either picked up or shipped to the customer with an accompanying invoice. In particular, with respect to the first year of the relevant period between February 7, 2010 and February 6, 2011, he attests that at least \$500,000 worth of the registered goods were sold in Canada in association with the Mark.

[10] Although the Owner provides extensive evidence of sales of the goods, the issue in this case is whether the Mark was displayed in association with the goods, rather than displayed in association with the services. In this respect, Mr. Stratton furnishes evidence showing five means by which the Mark was displayed to the Owner’s customers. As discussed below, however, I consider only one of these means to constitute display of the Mark in association with any of the goods in question.

[11] Attached to Mr. Stratton’s affidavit are the following exhibits:

- Exhibit A consists of a photograph and reproduction of a shipping label, shown below. The Mark appears in the top left corner of the label. Mr. Stratton attests that these labels are representative of labels that “were affixed to packaging containing the Registered Wares before they were shipped to customers.”



- Exhibit B is a blank invoice that Mr. Stratton attests is representative of those used by the Owner during the relevant period. He explains that at the time the goods were shipped, the invoice would have been filled out to feature a description of the goods purchased by the customer and would have accompanied the goods. I note that the Mark appears at the top of the invoice next to the Owner's address in St. John's, Newfoundland.
- Exhibit C consists of six photographs that Mr. Stratton attests are representative examples of SANI-PRO products showing how the Mark was displayed on the goods during the relevant period. The photographs are of poor quality, however the Mark appears to be printed or stenciled to each good or its packaging in a permanent fashion. Mr. Stratton attests that these depicted goods include "disinfectant/disinfectant solution, drain cleaner, and air freshener/deodorizer" and "a garbage can/waste basket, a wet floor sign and a coffee decanter". He attests that the first three photographs are representative of the manner in which the Mark was displayed on "cleaners for floors, equipment and fixtures, disinfectants ..., drain pipe cleaners, cleaning and disinfectant solutions ... and air deodorants and fresheners" and that the last three photographs are representative for the registered goods "waste baskets, soap dispensers, mopping pails and garbage cans".
- Exhibit D is a photograph of a "representative sticker" that Mr. Stratton attests was affixed to large and small appliances before being shipped to or picked up by customers. The sticker displays the Mark, the Owner's name and what appears to be the Owner's phone number. Unfortunately, the photograph is of poor quality, and it is unclear to what or where the sticker has been applied.
- Exhibit E is a photograph of "representative plastic bags" that Mr. Stratton attests were used when goods were sold to customers over the counter at the Owner's showroom. The bags display the Mark.
- Exhibit F consists of dozens of pages of "customer movement reports" that Mr. Stratton attests is an itemized list of sales of the registered goods to customers in Canada during the relevant period. Mr. Stratton asserts that the reports demonstrate sales of all of the registered goods, and provides correlations between various line items and registered goods at paragraph 20 of his affidavit.

Analysis

[12] At the oral hearing, the Requesting Party submitted that the evidence of use furnished by the Owner was questionable. In this respect, it argued that the evidence primarily shows use of the Mark in association with the Owner's distribution services, rather than in association with the particular registered goods.

[13] With respect to the display of the Mark on the shipping labels (Exhibit A), invoices (Exhibit B), stickers (Exhibit D) and bags (Exhibit E), I agree with the Requesting Party that, at best, such display constitutes use in association with the Owner's distribution and sales services, and does not provide the requisite notice of association with any of the registered goods.

[14] Indeed, in his affidavit, Mr. Stratton describes the Owner as a distributor of various goods, and it is a clear inference from the evidence that it sells the goods of others, at least with respect to some of the registered goods. For example, the Exhibit F reports list goods such as "Jackson Tempstar Dishwasher", "C-Care Convoclean Solution", "Microwave Amana" and "Javex Bleach".

[15] Accordingly, the appearance of the Mark at the top of the blank invoice at Exhibit B is insufficient to constitute use of the Mark in association with any goods listed on actual invoices that may have been issued during the relevant period. In *Tint King of California Inc v Registrar of Trade-marks* (2006) 56 CPR (4th) 223, the Federal Court noted the following at paragraph 35:

...the central consideration appears to be whether, in the case of invoices, the wares themselves are identified with the trade-mark, or whether the trade-mark seems to be associated on the invoice with the distributor, in which case it is more likely proof of use in relation to services.

[16] Although not cited by the Owner, the present case is distinguishable from *Hortilux Schreder BV v Iwasaki Electric Co*, 2012 CarswellNat 4836 (FCA), where the evidence showed, in part, that the goods of only one manufacturer were referenced in the relevant invoices. That is not the case presently. Here, the Mark at the top of the invoice would at best be associated with the business of the Owner, namely its sales and distribution services.

[17] Similarly, placing such goods in a plastic bag displaying the Mark at the time of sale does not amount to use of the Mark in association with the goods themselves [see, for example, *London Drugs Ltd v Brooks* (1997), 81 CPR (3d) 540 (TMOB) and *Borden & Elliot v Raphaël Inc* (2001), 16 CPR (4th) 96 (TMOB)]. As stated by the Registrar in *Gowling, Strathy & Henderson v Karan Holdings Inc* (2001), 14 CPR (4th) 124 (TMOB) at page 127:

Concerning the registrant's argument that the trade-mark appears on a sign on the front of the store, on shopping bags and on boxes used to deliver the wares, I am of the opinion that such use of the trade-mark is more akin to use of the trade-mark in association with a service namely to distinguish the registrant's retail outlet from retail outlets of others.

[18] In the absence of submissions from the Owner that would convince me otherwise, I must come to a similar conclusion with respect to the display of the Mark on the shipping labels (Exhibit A) and stickers (Exhibit B).

[19] First, I note by analogy that merely attaching a store's price tags to a third party good has been held to not constitute use of a trade-mark pursuant to section 4(1) of the Act [see *Coastal Trade-mark Services v Edward Chapman Ladies' Shop Limited*, 2014 TMOB 80]. A retailer's trade-mark that appears on its price tag affixed to that good does not distinguish the retailer's goods from those of other manufacturers of the good; it perhaps distinguishes the retailer's price and therefore the retailer's services from those of other retailers.

[20] Nonetheless, at the time of sale, the retailer's trade-mark is displayed on the good or its packaging via the price tag. The argument could be made that, based on the language of section 4(1), this should be deemed use of that trade-mark as it is "marked on the goods themselves" or "on the packages in which they are distributed".

[21] However, interpreting section 4(1) too broadly in this manner would lead to absurd results. A trade-mark on packing tape or packing wrap would automatically be associated with any goods shipped using that tape or wrap; trade-marks on stamps would be associated with any goods mailed using those stamps. This would be contrary to common sense, the jurisprudence noted above, and the definition of "trade-mark" found in section 2 of the Act.

[22] Although I reference the definition of "trade-mark" in section 2, I would note that the Federal Court of Appeal has cautioned the Registrar regarding the proper scope of section 45

expungement proceedings. In *United Grain Growers Ltd v Lang Michener* (2001), 12 CPR (4th) 89 (FCA), the Federal Court of Appeal found that the Registrar erred in considering whether the trade-mark in question actually served to distinguish the goods in that case. It stated the following at paragraphs 13 to 15:

... the Registrar was of the view that it was necessary to evaluate whether the words COUNTRY LIVING would be perceived as a trade-mark to distinguish the COUNTRY GUIDE magazine. In this, the Registrar had regard to s. 2 which defines a trade-mark as:

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

Citing a decision of this Court, *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.), the Registrar concluded that the words COUNTRY LIVING were not used to distinguish the appellant's magazine, and thus not used as a trade-mark. It was for this reason that she expunged COUNTRY LIVING from the Register.

[14] In our respectful opinion, in embarking upon an inquiry as to whether the words COUNTRY LIVING were used to distinguish the appellant's magazine, the Registrar misinterpreted her function under s. 45 and erred in law. No words in s. 45 direct the Registrar to re-examine whether the registered trade-mark is used for the purpose of distinguishing, or so as to distinguish, wares. Rather, the Registrar's duty under s. 45 is only to determine, with respect to the wares specified in the registration, whether the trade-mark, as it appears in the Register, has been used in the three years prior to the request.

[15] In this case, it is undisputed that the registered trade-mark COUNTRY LIVING was marked on the magazine COUNTRY GUIDE at the time of transfer of property in or possession of the magazine in the normal course of trade. We think once it was determined that the registered trade-mark, as it appears in the Register, was used in association with the wares specified in its registration, the inquiry under s. 45 was at an end.

[23] As noted by the Federal Court of Appeal, the trade-mark in that case was printed in the magazine itself at the time of publication. This clearly constituted the trade-mark having been “marked on the goods themselves”. As there was no question of deviation, the trade-mark was deemed to have been used in association with the magazine goods.

[24] The present case is less clear. Although there is no issue of deviation, it is necessary to consider the proper interpretation of section 4(1) in view of the evidence of the Mark being displayed on stickers and shipping labels by the Owner.

[25] In *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD) at 16-17, the Federal Court stated the following:

...section 4 contemplates the normal course of trade as beginning with the manufacturer, ending with the consumer and with a wholesaler and retailer or one of them as intermediary. When the applicant sold to the retailer and the retailer sold to the public, the public came to associate applicant's mark with the ... belt; s. 4 contemplates that the use between the retailer and the public enures to the benefit of the manufacturer and its use in Canada. In other words -- if any part of the chain takes place in Canada, this is "use" in Canada within the meaning of s. 4.

[26] As such, whether a particular trade-mark is displayed in accordance with section 4(1) of the Act must be determined in part with this distribution "chain" in mind. Under section 4(1), a Mark may be deemed to be used in association with goods if it is "marked on the goods themselves", it is marked "on the packages in which they are distributed", or it is displayed "in any other manner" such that the association is given to the person to whom the goods are transferred.

[27] Implicit in the reasoning in *Karan Holdings, supra*, is that retailers' shopping bags and boxes do not constitute "packages in which [goods] are distributed", notwithstanding the fact that the goods are given to or mailed to customers in those bags or boxes at the time of purchase and transfer. A trade-mark displayed on mail packaging or a shipping label when a distributor or retailer ships a good to a purchaser does not constitute that trade-mark being marked "on the packages in which they are distributed". In my view, section 4(1) contemplates the manufacturer's packaging and not necessarily the packaging that is used by a distributor or retailer to ship or convey goods.

[28] Likewise, section 4(1) should not be interpreted so broadly such that a sticker displaying a trade-mark placed on a good by a mere distributor constitutes that trade-mark being "marked on the goods themselves". Like the aforementioned retailer's price tag, the trade-mark is marked on the sticker, not the goods themselves.

[29] Generally, a trade-mark displayed on a good in a permanent fashion (typically by the manufacturer) constitutes that trade-mark being "marked on the goods themselves". Similarly, the wording in section 4(1) with respect to "on the packages in which they are distributed" will

depend upon the particular circumstances and the normal course of trade involved, but generally contemplates the packaging that the goods are distributed in along the entirety of the chain and not just at one stage.

[30] There may be situations where a trade-mark may be “added” by someone other than the manufacturer such that it becomes associated with the goods themselves. For example, the Registrar has found use of a trade-mark in association with refurbished goods in some cases [see *Dominion Automotive Group Inc v Firebolt Engine Installation Centres Inc* (1998), 86 CPR (3d) 403 (TMOB); *Sim & McBurney v Parts Now! LLC*, 2011 TMOB 104].

[31] However, the present case is not one of refurbished goods or the like. Mr. Stratton only attests to the SANI-PRO sticker being added to some of the goods by the Owner before being shipped to purchasers. In my view, at best this constitutes display of the Mark “in any other manner” and not “marked on the goods themselves” or marked “on the packages in which they are distributed”. Accordingly, the key issue in this case is whether such display is sufficient “that notice of the association is then given to the person to whom the property or possession is transferred”, which is within the scope of a section 45 proceeding.

[32] As with the jurisprudence regarding display of trade-marks on invoices, several factors need to be considered, including whether the trade-marks of others are displayed. In this case, it is relevant whether the trade-marks of others were displayed on the goods themselves. Absent such display, than perhaps the Mark displayed on the Owner’s affixed sticker would be associated with a particular purchased good. However, Mr. Stratton provides insufficient evidence regarding the nature and appearance of the registered goods.

[33] Any consumer would likely have purchased the third party product from the Owner with reference to the third party’s trade-mark. To put it another way, an Amana® furnace does not become a Sani-Pro® furnace because it was purchased from a Sani-Pro® distributor. The sticker added to the product by the Owner does not change this; the consumer would identify the sticker with the Owner’s sales and distribution services, and not with the goods themselves.

[34] Again, although consistent with section 2 of the Act, it is not necessary to rely on the “trade-mark” definition to come to this conclusion. It is well-established that the registered

owner must provide sufficient details regarding its normal course of trade in order to properly respond to a section 45 notice [see, for example, *SC Johnson & Son, Inc v Registrar of Trade-marks* (1981), 55 CPR (2d) 34 (FCTD)]. In this case, the Owner has established that it is primarily a distributor of the registered goods. Unfortunately, aside from the goods depicted at Exhibit C, the Owner has provided little evidence that it is more than a mere distributor of third party goods or that purchasers would come to associate the Mark with all of the goods purchased from the Owner.

[35] With respect to the majority of the registered goods, Mr. Stratton provides insufficient details regarding the nature of the goods and whether such goods bore the trade-marks of others, namely that of the goods' manufacturers. With the exception of those goods described by Exhibit C, this ambiguity must be resolved against the Owner's interests [per *Plough, supra*]. As for the photograph in Exhibit D itself, it is of poor quality; it is not even clear what good the SANI-PRO sticker is affixed to, much less whether the good bore its own trade-mark.

[36] In contrast to the foregoing, with respect to the goods depicted at Exhibit C, the Mark is not simply displayed on a sticker or shipping label. Rather, the Mark appears to be affixed on the goods or their packaging in a permanent manner. For example, the garbage can depicted at Exhibit C displays the Mark, as does the Wet Floor sign; the Mark appears to be painted or printed directly on the goods. In my view, this constitutes the Mark being "marked on the goods themselves" as contemplated by section 4(1) of the Act.

[37] At the same time, the sanitizer, drain cleaner and air freshener containers depicted at Exhibit C are all examples of the Mark being displayed on the packaging of the goods. As liquids or gases, it is necessary to display any trade-mark on such goods' containers. Again, the Mark appears to be printed on the displayed containers in a permanent fashion, and not merely with a sticker or added packaging for mailing purposes by a distributor.

[38] I will note that whether a trade-mark is displayed or marked in a permanent fashion may not necessarily be determinative. Fundamentally, the issue is whether the requisite notice of association is given; this is deemed in certain circumstances, but will be dependent on the particular facts of each case and the relevant normal course of trade. Although section 4(1) contemplates a chain of transactions, a good may find itself in a new chain at some point, such as

in the case of refurbished goods. Further, in view of the Federal Court of Appeal's finding in *United Grain Growers, supra*, what prevents a distributor from marking the goods of others with its own trade-mark and selling such goods as their own is generally likely beyond the scope of a section 45 proceeding.

[39] As for whether the Exhibit C photographs are representative of goods not specifically depicted, I note that one of the reports at Exhibit F (Tab 9) shows a sale of "SOAP DISH WH SANI PRO". This reference to "SANI PRO" is consistent with the inference that the Owner sold soap dishes marked and associated with the Mark, as attested to by Mr. Stratton.

[40] Accordingly, in view of the evidence of sales of the goods at Exhibit F and Mr. Stratton's sworn statements with respect to the goods represented by the photographs at Exhibit C, I am satisfied that the Owner has demonstrated use of the Mark in association with the following registered goods only within the meaning of sections 4 and 45 of the Act: cleaners for floors, equipment and fixtures, disinfectants; drain pipe cleaners, cleaning and disinfectant solutions; air deodorants and fresheners; waste baskets; soap dispensers; mopping pails; and garbage cans.

Disposition

[41] 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, the registration will be amended to delete the following goods from the registration:

- (1) Hand and face soap, soap for general purpose cleaning, ..., general purpose washing solutions for floors, walls, fixtures and equipment; ... insecticides; furniture polish, stainless steel polish, glass cleaners and general purpose cleaners.
- (2) Chain lubricants, car washing compounds and dish washing solutions.
- (3) Towel cabinets, ..., floor maintenance equipment, namely, floor machines, vacuums, ..., sand urns, ...; food service and commercial equipment, namely, deep fryers, griddles, ranges, ice-cubers, refrigerators, food cooking machines, glass washers, dish washers, coffee makers, toasters, microwave ovens, mixers, blenders, food warmers, restaurant and cafeteria chairs and tables.

[42] The amended statement of goods will be as follows:

(1) Cleaners for floors, equipment and fixtures, disinfectants for hospitals, clubs, hotels and institutions; drain pipe cleaners, cleaning and disinfectant solutions for use in food plants, papermills, bottling plants and for use in buildings, offices and schools; air deodorants and fresheners.

(2) Waste baskets, soap dispensers, floor maintenance equipment, namely, mopping pails, garbage cans.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office