

SECTION 45 PROCEEDINGS
TRADE-MARK: SMART
REGISTRATION NO.: 524178

On July 29, 2004 at the request of Spencer Law Firm (the “Requesting Party”), the Registrar forwarded a s. 45 notice to Canadian Imperial Bank of Commerce (“CIBC”) as administrative agent for Franchise Trust, the registered owner of the trade-mark SMART (the “Mark”), registration number 524178.

The Mark is registered for use in association with the following services:

Purchase and sale of receivables and the issuance to the public of asset-backed securities; purchase, acquisition, financing and administration of real estate and issuance to the public of mortgage-backed securities. (The “Services”)

Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”), requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and/or services listed on the registration at any time within the three-year period immediately preceding the date of the notice, and if not, the date when it was last in use and the reason for the absence of use since that date. The relevant period in this case is any time between July 29, 2001 and July 29, 2004 (the “Relevant Period”).

In response to the notice, the affidavit of Edward N. Fujisawa together with exhibits have been furnished. Only the Registrant, as defined hereinafter, filed written submissions and no oral hearing was requested.

On November 15, 2004 the Registrar issued a confirmation of Amendment Owner Identification by which the owner of the aforesaid registered trade-mark is identified as CIBC (the “Registrant”).

Mr. Fujisawa has been the Executive Director of the Canadian Securitization Group of CIBC World Markets Inc. (“CIBC World Markets”) . CIBC World Markets is a wholly-owned subsidiary of CIBC and is the investment banking arm of CIBC. CIBC World Markets is licensed to use all of the trade-marks owned by CIBC by way of a license agreement that took effect on October 7, 1996. He does state that he reviewed the aforesaid license agreement and confirm that it contains provisions whereby CIBC maintains control over the character and quality of the services provided by CIBC World Markets when performed in association with CIBC trade-marks. I am satisfied that if there is evidence of use of the Mark in association with the Services by CIBC World Markets, such use will be deemed use of the Mark by the Registrant in virtue of s. 50 of the Act.

To substantiate the allegation of use of the Mark in association with the Services during the Relevant Period the affiant filed the following relevant documents:

- A sample of a certificate evidencing the commercial paper purchased by investors on which appears the words SMART TRUST, used as a trade-name at the bottom right corner of the certificate as the entity that issues such certificate. Those words also appear on the top left corner of the certificate as a trade-mark, the word “Trust” being written in smaller letters. Such certificate has been in use since 1996 and continues to be used;

- A confirmation Notice issued by CIBC World Markets to an investor dated July 19, 2004 subsequent to a transaction by which the investor bought securities identified as SMART TRUST;
- Samples of a monthly statement issued by CIBC World Markets during the Relevant Period evidencing the purchase by an investor of securities identified as SMART TRUST;
- Documents identified by the affiant as a Discount Note issued during the Relevant Period on which appears the inscription SMART TRUST;
- A sample of an information brochure bearing the Mark that has an effective date of May 3, 1999. An electronic version of this document is available on CIBC World Markets' website.

The affiant also provided the yearly income generated by the sale of Services in association with the Mark since 1996 up to 2003 inclusive as well as the number of customers who purchase those Services.

Section 45 proceeding is considered to be summary and expeditious for clearing the register of trade-marks of non-active trade-marks. The expression "clearing the deadwood" has been used often to describe such proceeding. [See *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1987), 13 C.P.R. (3d) 289]. In *Lewis, Thomson and Sons Ltd. v. Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483, Mr. Justice Strayer stated:

I am not prepared to find, as the respondent has suggested, that there is some particular kind of evidence which must be provided, and that any affidavit which does not attach an invoice is presumptively useless. I believe that the affidavit here sufficiently sets out use and, within the general context of the nature of these proceedings, is quite adequate.

The nature of these proceedings is such, it seems to me, that it is not considered that the facts of use are to be infinitely contestable before the Registrar or the Federal Court. It seems to me that what is required is that the registrant establish a prima facie case of use and that that is all that is expected of him. There is usually no cross-examination permitted with respect to affidavits filed either before the Registrar or before this Court in these matters, and there is no provision for respondents filing any evidence before the Registrar. It seems to me that that indicates quite clearly that these are not considered to be proceedings where there should be an infinite contestation of the facts.

A simple allegation of use of the Mark is not sufficient to evidence its use in association with the Services within the meaning of s. 4(2) of the Act [See *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980) 53 C.P.R. (4th) 62]. There is however no need to overkill the file with evidence establishing such use of the Mark.

I refer to the following description of the activities associated with the Mark found in the information brochure:

The activities of the Trust [Smart Trust] will consist of acquiring interests in pools of real estate, mortgages, hypothecs, leases and related or derivative assets (“Asset Interests”) through the purchase thereof or the provision of loans secured by mortgages or hypothecs or guaranteed by substantial entities. The Trust will fund the acquisition of Asset Interests through the issue of senior and subordinated short term and medium term asset-backed notes in one or more series...

The evidence found in the file does establish that the Mark was used by the Registrant, within the meaning of s. 4(2) of the Act, in association with the Services in Canada during the Relevant Period.

I note that the requesting Party did not file any written argument and did not request an oral hearing. Under these circumstances it is difficult to determine what would be its arguments to

conclude that the evidence filed do not support a conclusion in favour of the Registrant. One could argue that the trade-mark used is SMART TRUST and not the Mark. However I do not consider such discrepancy to be fatal to the Registrant. Firstly there is evidence of use within the meaning of s. 4 of the Mark as it appears on the cover page of the information brochure. Also on the certificate, as mentioned above, the word SMART is written in larger letters. I do not consider the addition of the word TRUST in these conditions to constitute a major deviation of the use of the Mark as contemplated in *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 and *Registrar of Trade Marks v. Compagnie L'informatique CII Honeywell Bull, Société Anonyme et al.* (1985), 4C.P.R. (3d) 523.

Having considered the evidence, I am satisfied that the Registrant has established use of the Mark within the meaning of s. 4 of the Act in association with the Services.

Pursuant to the authority delegated to me under s. 63(3) of the Act, I hold that the trade-mark registration ought to be maintained on the register. Registration No. TMA 524178 will be maintained in compliance with the provisions of s. 45(5) of the Act.

DATED IN BOUCHERVILLE, QUEBEC, THIS 24th DAY OF SEPTEMBER 2007.

Jean Carrière,

Member of the Trade-marks Opposition Board