



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

Citation: 2010 TMOB 116
Date of Decision: 2010-07-14

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Smart & Biggar against registration
No. TMA556,649 for the trade-mark SMILEWORKS in
the name of Vincenzo Greco and Giuseppina Greco, a
partnership**

[1] At the request of Smart & Biggar (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on November 27, 2007 to Vincenzo Greco and Giuseppina Greco, a partnership (the Registrant), the registered owner of the above-referenced trade-mark registration.

[2] The trade-mark SMILEWORKS (the Mark) is registered for use in association with “dentistry”.

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares or services specified in 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 such use since that date. In this case, the relevant period for showing use is any time between November 27, 2004 and November 27, 2007 (the Relevant Period).

[4] “Use” in association with services is set out in s. 4(2) of the Act:

4. (2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] In *Porter v. Don the Beachcomber* (1966), 48 C.P.R. 280, the Exchequer Court of Canada explained the use of a trade-mark in Canada in association with services as follows:

I shall therefore hold that “use in Canada” of a trade mark in respect of services is not established by mere advertising of the trade mark in Canada coupled with performance of the services elsewhere but requires that the services be performed in Canada and that the trade mark be used or displayed in the performance or advertising in Canada of such services.

Consequently, the mere advertising of a service in Canada is not sufficient to demonstrate use of a trade-mark in association with services within the meaning of s. 4 of the Act; the registered owner also needs to show that it was able and willing to perform the services in Canada during the relevant period [*Wenward (Canada) Ltd. v. Dynaturf Co.* (1976), 28 C.P.R. (2d) 20 (T.M.O.B.)].

[6] In response to the Registrar’s notice, the Registrant furnished the affidavit of Dr. Vincenzo Greco together with Exhibits “A” through “F”. Dr. Greco states that he is one of the two partners in the Registrant. Both parties filed written submissions; an oral hearing was not requested.

[7] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of s. 45 proceedings [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)]. Although the threshold for establishing use in these proceedings is quite low [*Woods Canada Ltd. v. Lang Michener* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.)] and evidentiary overkill is not required [*Union Electric Supply Co. Ltd. v. Registrar of Trade Marks* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)], 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 wares or services specified in the registration during the relevant period. In addition, the entire burden is with the registered owner [*88766 Inc. v. George Weston Ltd.* (1987), 15 C.P.R. (3d) 260 (F.C.T.D.)] and any ambiguities in the evidence are to be interpreted against the registered owner [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.*, supra].

[8] With respect to the provision of the registered services, Dr. Greco provides the following in his affidavit:

1. I am one of the partners in the partnership operated by me and my spouse, Guiseppina Greco, which partnership (the “Registrant”) is the registrant of the trademark “SMILEWORKS” (the “Registered Mark”) under Registration Number TMA556,649. The Registrant licenses the use of the Registered Mark to various corporations owned by me and/or my spouse in connection with my dentistry practice. [...]

2. The Registrant and/or its licensee(s) first began using the Registered Mark in association with dentistry services on or before January 8, 2002, at which time the Registrant filed a Declaration of Use.

3. The Registrant has consistently used the Registered Mark since that time in association with the Registrant’s (and/or its licensees’) dentistry services in Canada.

4. Specifically, the Registrant’s licensee, Smileworks Technical Services Corporation is licensed to use the Registered Mark in association with dentistry services, being specifically dentistry hygiene services. Smileworks Technical Services Corporation was incorporated and began use of the Registered Mark on or about mid-2003.

[...]

8. The Registrant and/or its licensee(s) has provided dentistry services, in association with the Registered Mark, to patients consistently throughout the three (3)-year period preceding the Notice received in this proceeding. [...]

9. The Registered Mark is used consistently in association with dentistry practice of the Registrant and/or its licensees in Canada, as the Registrant and/or its licensee(s) sees thousands of patients per year [...].

[9] The Requesting Party submits that the evidence is intentionally ambiguous regarding the entity who actually performed the registered services in association with the Mark during the Relevant Period. It points to the use of the expressions “the Registrant and/or its licensee(s)” and “Registrant (and/or its licensee(s))” throughout Dr. Greco’s affidavit as examples of such ambiguity in the evidence. In addition, it contends that if it was in fact the licensee(s) who performed the services in association with the Mark, the Registrant failed to provide any evidence of control over the character or the quality of the services considering that common corporate ownership is insufficient to establish the existence of such control. As a result, the Requesting Party argues that there is no direct evidence of use of the Mark by the Registrant, nor can any use of the Mark by its licensee(s) enure to the benefit of the Registrant. In support, it cites *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d)

245 (T.M.O.B.), *Unitel Communications Inc. v. Bell Canada* (1995), 62 C.P.R. (3d) 86 (T.M.O.B.) and *88766 Canada Inc. v. Herbert Dannroth GmbH* (1996), 71 C.P.R. (3d) 89 (T.M.O.B.).

[10] In return, the Registrant takes the position that it has provided “ample evidence of its, or a valid licensee’s, use” of the Mark in Canada. In that regard, it submits that Dr. Greco has clearly established the licensing of the Mark to various corporations owned by either or both partners and that there is no requirement to confirm a license agreement in writing. In support, it cites *Wells’ Dairy Inc. v. U L Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.) and *TGI Friday’s of Minnesota Inc. v. Registrar of Trademarks* [1999] F.C.J. No. 682, A-189-81 (F.C.A.). In terms of control, the Registrant submits that it exercises a *de facto* control over the registered services provided by its licensee(s) “since it is impossible to imagine how the partners of the Registrant could *fail* to exercise control over themselves in their roles in the licensed corporations wholly owner by one (1) or both of them”. In support, it cites *House of Kwong Sang Hong International Ltd. v. Borden Ladner Gervais LLP* (2004), 31 C.P.R. (4th) 252 (F.C.T.D.).

[11] Having reviewed the evidence in its entirety, I agree with the Requesting Party that the evidence confirms the provision of dentistry services by the Registrant’s licensee(s), but not by the Registrant. In terms of Dr. Greco’s statements, all that I am able to conclude is that among the parties involved in this licensor-licensee(s) relationship, either one *or* both provided the said services during the Relevant Period. It is however unclear whether it is in fact the Registrant, the licensee(s), or both, who provided such services. Turning to the documentary evidence submitted in this regard, Dr. Greco produces numerous exhibits related to the dental practices of several entities; none of which is the Registrant. To this end, an extract of the 2004 and 2005 federal tax returns for “Smileworks Technical Services Corporation” is attached as Exhibit “A”, a copy of the business card designs for “Bellamy Dental” is attached as Exhibit “D”, copies of invoices issued to “Bellamy Dental” detailing the purchase of business cards are attached as Exhibit “E”, and a series of invoices issued by “Bellamy Dental Clinic” to its patients are attached as Exhibit “F”. While these exhibits corroborate Dr. Greco’s assertions regarding the provision of dentistry services by the licensee(s), none of them makes reference to those offered by the Registrant.

[12] The only arguable indication of the Registrant's own dental practice appears in paragraph 6 of Dr. Greco's affidavit. Specifically, in reference to a photograph of a signage attached as Exhibit "B", the affiant states that the signage was first erected in 2003 and that it is "currently in place at the location of the Registrant's dentistry office, 200 Bellamy Road North". However, a review of the above-mentioned exhibits reveals that it is actually the address of the dental offices of Smileworks Technical Services Corporation, Bellamy Dental and Bellamy Dental Clinic. This is further supported by the inscriptions on the signage which confirm the presence of the licensee(s) at this location; it reads: "SmileworksTM", "Bellamy Dental – The creation of a smile" and "SmileworksTM Technical Services". As in the case of the other exhibits, the signage makes no reference to the Registrant. In fact, the Registrant itself points to this photograph to substantiate its assertions of use of the Mark by its licensee(s). In particular, the Registrant argues in its written submissions that since the Mark is shown directly above the words "Bellamy Dental", "which [...] is one of the various licensees of the Registrant", the signage is "clearly associated with that licensee".

[13] Another example of ambiguity in Dr. Greco's affidavit can be found in paragraph 7 when he discusses the business card designs attached as Exhibit "D". As mentioned above, the cards clearly indicate "Bellamy Dental" as the dental office in question. The corresponding invoices for the purchase of these business cards attached as Exhibit "E" also identify "Bellamy Dental" as the customer. Yet, Dr. Greco asserts that it is the *Registrant* who distributes these business cards to *its patients* when it is clearly Bellamy Dental, a licensee, who ordered these cards for its own dental practice. On this point, I note that there is nothing in the evidence that would allow me to infer a connection between the Registrant and "Bellamy Dental" other than that of a licensor-licensee.

[14] Taking into consideration Dr. Greco's clear assertions that the Registrant licenses the use of the Mark to various corporations, whose dental practices are detailed in the supporting exhibits, and bearing in mind the lack of clear evidence substantiating the Registrant's ambiguous statements regarding the provision of dentistry services by the Registrant itself, I am left to conclude that the registered services were provided by the licensee(s) rather than the Registrant during the Relevant Period. Thus, the Registrant appears to be relying on the existence of licensees to demonstrate use of the Mark during the Relevant Period. If I am wrong in

reaching this conclusion, I would point out that there is no documentary evidence to substantiate Dr. Greco's bare and elusive assertion of use of the Mark by the Registrant itself during the Relevant Period.

[15] In terms of use by its licensee(s), while I agree with the Registrant that there is significant case law to the effect that a license agreement needs not be in writing, this does not however remove the requirement for the Registrant to provide evidence of control over the character or quality of the services provided by its licensee(s) in the context of s. 50 of the Act. For the purpose of a s. 45 proceeding, in order to satisfy the requirements of s. 50(1) of the Act, the registered owner or the licensee needs to clearly state in the affidavit or the statutory declaration that the control required by s. 50 exists [see *Gowling, Strathy & Henderson v. Samsonite Corp.* (1996), 66 C.P.R. (3d) 560 (T.M.O.B.) and *Mantha & Associates. v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354 (F.C.A.)]. Alternatively, a description of the control or a copy of the license agreement containing provisions pertaining to control would suffice.

[16] The jurisprudence also recognized that the requirements of s. 50 may be satisfied if the president or the director of a corporate owner is also the president or the director of the user of the trade-mark [see *Petro-Canada v. 2946661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 (F.C.T.D.) and *Automobility Distribution Inc. v. Jiangsu Electronics Industries Ltd.*, (2005), 43 C.P.R. (4th) 157 (T.M.O.B.)]. On the other hand, it is clear that corporate structure alone does not allow the Registrar to make the inference that a registered owner has control over the character or quality of the wares and services used in association with a licensed trade-mark. See *MCI Communications Corp. v. MCI Multinet Communications Inc.*, *supra*; 3082833 *Nova Scotia Co. v. Lang Michener LLP*, 2009 FC 928; *Dynatech Automation Systems Inc. v. Dynatech Corp.* (1995), 64 C.P.R. (3d) 101 (T.M.O.B.).

[17] Similar to the case at hand, in *Automobility Distribution Inc. v. Jiangsu Electronics Industrie*, *supra*, the Hearing Officer reasoned as follow in para 12-15:

The registrant submits that because Jiangsu is the sole shareholder of J.S. International, Inc. it follows that both the registrant and J.S. International, Inc. are controlled by the same persons and therefore the registrant would have control i.e. indirect control of the character or quality of the wares produced by J.S. International Inc.

In my view, corporate structure alone does not establish the existence of a licensing arrangement. *Further, the fact that the registered owner is the sole shareholder of the corporation, in and of itself, does not permit me to infer that it has control of the character and quality of the wares.*

The case law has established that if the president or director [*Lindy v. Canada (Registrar of Trade Marks)* (1999), 241 N.R. 362 (Fed. C.A.) and *Petro-Canada c. 2946661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 (Fed. T.D.)] or officer [*Phillips, Friedman, Kotler v. Freed's of Morden Ltd.*, 2000 CarswellNat 4003 (T.M. Bd.)] of a corporate owner is also the president or a director or officer of the user of the trade-mark such may satisfy the requirements of Section 50 of the Act. Here we have absolutely no information and there is no evidence that one individual is the president, or a director/officer of both companies.

Consequently, if as sole shareholder the registered owner has control of the character or quality of the wares produced by J. S. International, Inc., then [the affiant] should have clearly stated so.

[Emphasis added]

[18] With respect to the case law submitted by the Registrant, the facts of these three cases can be distinguished from those of the present case. Notably, in *TGI Friday's of Minnesota Inc.*, the Federal Court of Appeal was able to infer the existence of an oral license and the indirect or direct control of the registered owner because the latter presented evidence that he was the *president* and the major shareholder of the licensee. In *Wells' Dairy Inc*, the Federal Court Trial Division determined that the existence of an implied license can be supported by evidence of control *once such control has been established*. To this end, the affiant asserted that the final product manufactured by the licensees is subject to the control and specifications of the registered owner. In *House of Kwong Sang Hong International Ltd.*, following a review of the evidence provided, the Court came to the conclusion that in the absence of a written license agreement, there was sufficient evidence to substantiate the existence of a *de facto* control between the registered owner and the licensee in view of both affiants' unequivocal assertions of control by the registered owner; this was supplemented by the fact that the related companies shared the same business premises and some of the same directors during the relevant period. Consequently, Justice Noël found use of the trade-mark "by a corporate entity *duly directed and supervised by*" the registered owner [emphasis added].

[19] In the present case, Dr. Greco's affidavit confirmed the existence of a licensor-licensee relationship between the Registrant and the "various corporations", including Smileworks

Technical Services Corporation and Bellamy Dental. It does not, however, provide any evidence of control over the character or the quality of the dentistry services provided by these licensees. In this regard, there is neither a statement nor a description of the control in the evidence; there are also no details regarding the provision of control in the license agreement, tacit or otherwise. In terms of the Registrant's involvement with these corporations, apart from their common ownerships by one "and/or" both of the partners, nothing suggests that either partner plays an active role in the licensed corporations, such as that of a president, a director, an officer, or otherwise. Considering that corporate structure alone is insufficient to establish control under s. 50 of the Act, there is simply not enough evidence to show the Registrant's direct or indirect control over the quality or the character of the dentistry services provided by the licensee(s). Consequently, I am unable to infer that any use of the Mark by the licensee(s) enures to the benefit of the registrant.

[20] Having decided that the Registrant failed to clearly identify its control over the quality or the character of the dentistry services provided by its licensee(s), there is no need to assess the relevance of Dr. Greco's remaining evidence regarding the manner in which the Mark was associated with the registered services as well as the provision of the said services.

[21] In view of the foregoing, pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be expunged in compliance with the provisions of s. 45 of the Act.

P. Fung
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office