

SECTION 45 PROCEEDINGS
TRADE-MARK: ENVIROTEMP & DESIGN
REGISTRATION NO: TMA 289,992

At the request of Stikeman Elliott LLP (the “requesting party”), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* on January 26, 2006 to John Haydock the registered owner of the above referenced trade-mark (the “registrant”).

The trade-mark ENVIROTEMP & Design, shown below, is registered for use in association with:

Wares

“air conditioning systems and equipment”, and

Services

“design, planning, installing and servicing of environmental control equipment for rooms requiring close temperature and humidity control”.

The logo for 'envirotemp' is written in a lowercase, sans-serif font. The letters are closely spaced, and the 'i' in 'envirotemp' has a dot that is slightly larger than the others. The overall appearance is clean and modern.

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Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, 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. In this case the relevant period for showing use is any time between January 26, 2003 and January 26, 2006.

Use in association with wares is set out in subsection 4(1) of the *Trade-marks Act*:

A trade-mark is deemed to have been 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.

Use in association with services is set out in subsection 4(2) of the *Trade-marks Act*:

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.

Special provisions relating to the export of wares are contained in subsection 4(3) of the *Act* and do not apply in the present proceedings.

In response to the Registrar's notice, the registrant furnished the affidavit of John Haydock, President and sole director of Envirotemp Inc.; both parties filed written submissions and were represented at the oral hearing.

Throughout most of the evidence the subject trade-mark appears as shown below:



In many instances the trade-mark appears as above with additional words in very small font positioned below "envirotemp ® inc.". The additional words take one of the following forms: "COMPU-AIRE CONDITIONING and POWERWARE UPS SYSTEMS"; "COMPUTER POWER and AIR CONDITIONING SYSTEMS" or "COMPUTER AIR CONDITIONING SYSTEMS". I am of the view that these additional words do not form a dominant feature of the trade-mark as used; they appear in very small font, are descriptive and would be perceived as merely information about the nature of the licensee's business.

With respect to whether or not use of "envirotemp ® inc." is use of the trade-mark as registered, I find that it is. Unlike the decision in *Bull, Houser & Tupper v. Bulldog Bag Ltd.* 40 C.P.R. (3d) 157 1991, where the use of the letters 'tm' after the abbreviation of Pkg in MARATHON PKG was found to create the impression that the trade-mark was

MARATHON PKG and not MARATHON as registered, in the present proceedings, the ® symbol is used immediately after “envirotemp” *before* the corporate designation of “inc.”. In my view the placement of the ® symbol clearly conveys to the purchaser that they are being presented with a registered trade-mark that does not include “inc.”.

Another issue is whether use of the maple leaf and fanciful “e” design in conjunction with envirotemp ® is use of the trade mark as registered. This appears to be a borderline situation. The use of a trade-mark in combination with additional words or features constitutes use of the registered mark if the public, as a matter of first impression, would perceive the trade-mark *per se* as being used. This is a question of fact which is dependent on whether the trade-mark stands out from the additional material, for example by the use of different lettering or sizing or whether the additional material would be perceived as clearly descriptive matter or as a separate trade-mark or trade name ((*Nightingale Interloc Ltd.v. Prodesign Ltd.* (1984) 2 C.P.R. (3d) 535 (T.M.O.B); 88766 *Canada Inc v. National Cheese Co.* (2002) 24 C.P.R. (4th) 410 (T.M.O.B)).

In the present case, the trade-mark is immediately followed by the ® symbol, clearly providing notice to purchasers that the preceding matter constitutes the trade-mark. Although the preceding matter might arguably be seen to include the maple leaf and “e” design, the present case can be differentiated from the situation in *Fasken Martineau DuMoulin LLP v. AGF Management Ltd.* (2003), 29 C.P.R. (4th) 411 (T.M.H.O). In that particular situation, it was concluded that the use of “AGF MultiManagerTMClass” and “AGF MultiManagerTM” did not constitute use of the registered mark MULTIMANAGER, in that the public would likely perceive “AGF MultiManager” as the trade-mark being used. In the present case, however, the additional element is not a word to be read together and logically connected with “envirotemp”; it is a visually separate design element. Consequently, I am of the view that the purchaser would not necessarily see the two portions as being linked as one trade-mark. The law is clear that there is nothing to prevent two trade-marks being used at the same time (*A.W. Allen Ltd v. Warner-Lambert Canada Inc.* 6 C.P.R. (3d) 270); on balance, I consider that as a matter of first impression the purchaser would likely perceive that two different trade-

mark are being used, one of which is the trade-mark *per se* (*Nightingale Interloc Ltd.v. Prodesign Ltd.* 2 C.P.R. (3d) 535).

In view of the foregoing, subsequent references to the trade-mark as it appears in the evidence should be considered references to the trade-mark as registered, except where specified.

Mr. Haydock's Affidavit

The relevant portions of the Haydock affidavit are discussed below.

The affiant states that his company was incorporated in 1970 and changed its name to Envirotemp on December 1998. The company's principle role is that of reseller of specialized air conditioning equipment manufactured by others.

Mr. Haydock explains that he applied for the trade-mark registration in his own name, but that since the date of first use of the trade-mark his company has been licensed with his authority to use the trade-mark for the associated wares and services; he has maintained at all relevant times direct control of the character or quality of the wares and services sold by his company in association with the subject trade-mark.

Currently his company represents Compu-Aire, Inc., of Whittier, California, a manufacturer of air conditioning and environmental control equipment.

Mr. Haydock explains that his company also designs, installs and maintains industrial environmental control equipment manufactured by others. This equipment is for industrial use and is adapted for specialized applications such as computer rooms and data processing facilities where the close control of temperature and humidity are important for the proper operation of such equipment. On the basis of the affiant's explanation of the function of the equipment sold by the licensee, I am willing to conclude that any references to air conditioning equipment and systems is also a reference to environmental control equipment.

The affiant states that due to the importance and vulnerability of computer-related equipment many of his company's installations are located in sensitive and high-security locations. He further explains that the fixation of logos and brands to products installed at these premises is prohibited since such logos and brands might identify sensitive equipment to possible vandals and saboteurs. The affiant states that where possible, he obtained photographs of equipment bearing the subject trade-mark.

Due to the specialized nature of the business, Mr. Haydock states that his company does little advertising, most new business is repeat business and word-of-mouth referrals.

Mr. Haydock attaches photos of relevant wares marked with the trade-mark, however it appears from the affidavit the sales of these wares took place before the relevant period.

A plastic holder bearing an adhesive label marked with a version of the subject trade-mark is attached; said holder apparently was attached to the company's wares and contained a Installation, Operation and Service Manual; a sample of this manual is contained in the plastic holder. The affidavit makes no unequivocal assertion that these items were in use during the relevant period. Maintenance instructions in an envelope bearing the subject trade-mark are attached as Exhibit 16. The affiant states that this envelope would be shipped with the installed system and remain with the system; again it is not specified that these were distributed during the relevant period.

With respect to transactions that occurred during the relevant period, the affiant attaches (as Exhibit 14) numerous packing slips that were shipped with parts for various types of air conditioning equipment. Each of these packing slips is marked with the subject trade-mark at the top of the page. I note that the trade-mark does not appear in the body of the invoice in direct relation to the wares, and I am in agreement with the requesting party that in this case the appearance of the trade-mark at the top of the invoice is not use of the subject trade-mark registration on wares listed therein (*Boutiques Pro-golf Inc. v. Canada (Registraire des Marques de Commerce)* (1989) CarswellNat 562, 27 C.I.P.R. 3, 35 F.T.R. 66; *Tint King of California Inc. v. Canada (Registrar of Trade-marks)*, [2006]

F.C.J. No.1808). (However, I find this to be persuasive evidence that the subject trade-mark was in use during the relevant period for the subject services. The issue of use or display in the performance or advertising of those services is discussed under the heading Services.)

Exhibit 17 consists of 2 invoices for air conditioning equipment dated in 2005. The invoices are marked at the top, in the same manner as the packing slips described above in Exhibit 14. The requesting party submitted that the distinction between the wares and services offered by Mr. Haydock's company was unclear, since it appears that the company installs the equipment of others. I note, however, that in the body of each invoice it appears that two items were sold, for a total value in excess of \$30,000. The items are identified in the invoices as appears below:

1. **Envirotemp Compu-aire Compu-Kool CDA-535, 5 ton**
2. **Envirotemp Air Cooled Condenser AAC-C 635, 5-ton.**

I consider that Mr. Haydock has adequately set out what constitutes the normal course of trade, including that he adapts and re-sells specialized equipment; I find therefore that these invoices are representative of sales by his company that took place in the normal course of trade.

With respect to item 1 in the invoices, I consider that the subject trade-mark as it appears is not use of the trade-mark as registered in that it is used in conjunction with other trade-marks that are equally dominant and not conceptually separated, thus creating an impression of one long trade-mark.

However, I find that the use of "envirotemp" to identify the wares in item 2 of the invoice, is use of the subject trade mark pursuant to s-s. 4(1) of the *Act* since (unlike the packing slips in Exhibit 14), it is clear that the trade-mark is being associated with one or more of the goods listed on the invoice (*Riches, McKenzie & Herbert v Pepper King*, 8 C.P.R. (4th) 471). This is so notwithstanding the trade-mark as it appears in the invoices is

in different font than the trade-mark as registered and appears in combination with additional words. In my view the trade-mark stands out from the additional material, by the use of different letter “e”, and for the further reason that what follows the trade-mark (Air Cooled Condensor) would be perceived as clearly descriptive matter ((*Nightingale Interloc Ltd.v. Prodesign Ltd.* (1984) 2 C.P.R. (3d) 535 (T.M.O.B); 88766 *Canada Inc v. National Cheese Co.* (2002) 24 C.P.R. (4th) 410 (T.M.O.B)).

Since the invoices list at least one item of air conditioning equipment in association with the subject trade-mark and as these invoices are dated in the relevant period, I find that they satisfy the requirement of demonstrating sales of “air conditioning systems and equipment” in association with the subject trade-mark.

Services

With respect to the packing slips (Exhibit 14) that were shipped with parts for various types of equipment during the relevant period, the subject trade-mark appears at the top of the slips and I consider this to be sufficient to establish use in the performance of services. I am of the view that the purchaser would clearly understand on seeing the ® symbol in “envirotemp®inc.” that this was use of the subject trade-mark, and not merely the use of a trade name to identify the business.

Exhibit 19 consists of parts quotations dated during the relevant period. Exhibit 20 consists of documents quoting prices for purchase and installation of air conditioning equipment. Exhibit 22 is a series of invoices for the serving [sic] (servicing) of air conditioning equipment sold to McDonald’s Restaurants of Canada Ltd., a major client of Mr. Haydock’s company. I note that these documents are all dated within the relevant period, and are marked with the subject trade-mark.

In view of the packing slips, invoices for servicing air conditioning equipment, and the quotations for parts, purchase and installation, I have no difficulty in concluding that the subject trade-mark registration was displayed pursuant to s.s.4(2) in the performance of the “installation and servicing of environmental control equipment”.

With the respect to the remainder of the services, attached as Exhibit 18 is a product catalogue intended for potential end users, contractors, designers, planners, consultants, and engineers. The binder is a sales tool and is used as a reference for consultation on what equipment or systems would be purchased. Approximately 100 of these binders have been distributed. I note that for the most part the product specifications bear the name of Compu-Aire although it appears that labels bearing the subject trade-mark, have been applied on a few of the pages. Exhibit 24 is the front cover of a brochure for air conditioning equipment that bears the subject trade-mark. Although the affiant does not specifically state when the binders and brochures were distributed, I am willing to make the inference from the affidavit as a whole that use of these documents is ongoing and ancillary to selling such specialized equipment, since there must necessarily be consultation, planning and design in respect of the specifications of the equipment needed. Accordingly, I am willing to conclude that there was use of the subject trade-mark on the services “design and planning” relating to the “installing and servicing of environmental control equipment”.

In view of all of the foregoing, I am satisfied that there was use of the subject trade-mark within the meaning of s. 45 and ss. 4(1) and (2) of the *Act* on “air conditioning systems and equipment”, and “design, planning, installing and servicing of environmental control equipment for rooms requiring close temperature and humidity control”. Accordingly, Registration TMA 289,992 for ENVIROTEMP & Design will be maintained in compliance with the provisions of Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

DATED AT GATINEAU, QUEBEC, THIS 27th DAY OF MARCH 2008.

P. Heidi Sprung
Member, Trade-marks Opposition Board