



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

Citation: 2013 TMOB 12
Date of Decision: 2013-01-17

**IN THE MATTER OF A SECTION 45
PROCEEDING requested by Ridout & Maybee
LLP against registration No. TMA399,922 for the
trade-mark BOLT-OFF in the name of NCH
Corporation**

[1] At the request of Ridout & Maybee LLP (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 April 9, 2010 to NCH Corporation (the Registrant), the registered owner of registration No. TMA399,922 for the trade-mark BOLT-OFF (the Mark).

[2] The Mark is registered for use in association with “*Penetrant and release agent, namely, a lubricant*” (the Wares).

[3] Section 45 of 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 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 use since that date. In this case, the relevant period for showing use is between April 9, 2007 and April 9, 2010 (the Relevant Period).

[4] The relevant definition of “use” 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 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.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for removing deadwood from the register. Assertions of use as a matter of law are insufficient to demonstrate use [see *Aerosol Fillers Inc v Plough (Canada) Ltd* (1979), 45 CPR (2d) 194 (FCTD)]. A recipient of a section 45 notice must put forward evidence showing how it has used the trade-mark in order that the Registrar may assess if the facts qualify as use of the trade-mark pursuant to section 4 of the Act. Ambiguities in the evidence are to be interpreted against the interests of the registered owner [*Aerosol Fillers Inc, supra*]. Lastly, such use must be that of the registered owner or a proper licensee pursuant to section 50 of the Act.

[6] In response to the Registrar’s notice, the Registrant furnished the affidavit of Russ Price. Only the Registrant filed written representations. An oral hearing was not conducted.

[7] In his affidavit, Mr. Price identifies himself as the Vice President and Secretary of the Registrant. He attests that the Registrant has used the Mark in association with the Wares throughout Canada since at least April 30, 1992, including during the Relevant Period, through the Certified Lab Products division of its wholly owned subsidiary NCH Canada Inc. Mr. Price states that the Mark is licensed by the Registrant to NCH Canada Inc. for use in Canada; however, I note that he does not provide any details regarding this license or the associated control exerted by the Registrant over the Wares.

[8] With respect to such use, Mr. Price explains that in the normal course of trade, labelling bearing the Mark is affixed to the containers for the Wares. In support of this statement, he attaches, as Exhibits “A” and “B”, samples of product labels and a picture of the Wares bearing such a label. I note that the Mark clearly appears on the labels for the Wares.

[9] In his affidavit, Mr. Price notes that the labels in Exhibit “A” and “B” contain text indicating Certified Lab Products is a division of NCH Canada Inc. He further draws attention to the fact that the label includes a copyright notice which refers to the Registrant.

[10] With respect to evidence of sales of the Wares, Mr. Price attaches invoices as Exhibit “C”. I note that all of the invoices are dated within the Relevant Period, and show sales of the Wares by Certified Lab Products to Canadian entities.

[11] In view of the foregoing, I accept that NCH Canada Inc. through its Certified Lab Products division has used the Mark in Canada during the Relevant Period, pursuant to section 4 of the Act. Consequently, for such use to be deemed that of the Registrant, the evidence must be licensed use pursuant to section 50 of the Act. Section 50 of the Act reads as follows:

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 license, 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.

50(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

[12] In its written representations, the Registrant submits that the use of the Mark by the Certified Lab Products division of NCH Canada Inc. satisfies section 50 of the Act.

In this regard, it argues that the evidence as a whole is sufficient to establish that the Registrant had the requisite control over the character or quality of the Wares associated with the Mark, pursuant to section 50. In particular, it points to the fact that the copyright notice on the label of the Wares identifies the Registrant as the holder of the copyright to the label, the fact that NCH Canada Inc. is a wholly owned subsidiary of the Registrant, and the fact that the affiant has sworn to the existence of a trade-mark license with NCH Canada Inc.

[13] In further support of its position, the Registrant cites *Genzyme Corp v Merz Pharma GmbH & Co.* KGAA 2008 CarswellNat 4574 TMOB. It submits that in this case, the Board held that the indication of copyright in product literature in conjunction with a parent-subsidiary relationship and the assertion of a license agreement was sufficient to imply the necessary control pursuant to section 50 of the Act. I note however, that some of the product literature in that case also included a notice indicating trade-mark ownership; a fact that was taken into consideration by the Board. In the present case, there is no such evidence. Furthermore, the content of the copyrighted product literature appeared to have been relevant to the Board's determination in that case.

[14] The question then remains as to whether the evidence supports that the use of the Mark by the Certified Lab Products division of NCH Canada Inc. inures to the benefit of the Registrant, pursuant to section 50 of the Act. In other words, the evidence must demonstrate that the Registrant had direct or indirect control of the character and quality of the Wares under license to NCH Canada Inc. The presumption of such control under section 50(2) does not apply in the present case, as the Registrant has not provided evidence of the "public notice" referred to in that section.

[15] Evidence of the requisite control pursuant to section 50(1), in the context of section 45 proceedings, may be satisfied if the registrant or the licensee provides a clear statement in the affidavit or the statutory declaration that direct or indirect control of the quality of the wares exists [see *Gowling, Strathy & Henderson v. Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB) and *Mantha & Associates v Central Transport Inc* (1995), 64 CPR (3d) 354 (FCA)]. Alternatively, a description of the requisite control or a copy of

the licensing agreement containing provisions pertaining to such control would suffice. Lastly, while an inference may be drawn that such control exists where an individual is a director or an officer of both the registrant and the licensee [see *Petro-Canada v 2946661 Canada Inc* (1999), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)* 1999 CarswellNat 652 (FCA), the mere fact that a registrant and a licensee are related companies is insufficient to establish that control under license pursuant to section 50 exists [see *MCI Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 and *Dynatech Automation Systems Inc v Dynatech Corp* (1995), 64 CPR (3d) 101].

[16] In the present case, Mr. Price has not provided a sworn statement regarding control and there is no description in Mr. Price's affidavit of any control that the Registrant might have over the character and quality of the Wares associated with the Mark. Furthermore, the fact that Certified Lab Products is a division of the Registrant's wholly owned subsidiary, NCH Canada Inc, is insufficient to establish control pursuant to section 50.

[17] What remains then, is whether the additional fact that the Registrant has copyright ownership over the product labels allows for an inference to be drawn that such control exists. In my view, it does not. The existence of a copyright in the product label does not clearly imply that the Registrant exercises the requisite degree of control over the character or quality of the associated wares, as rights in copyright are independent of any association with a product. Furthermore, the nature and content of the copyrighted material in question, in contrast to *Genzyme Corp, supra*, does not necessarily suggest or support the inference that the Registrant has the requisite control over the Wares.

[18] I note that Mr. Price has made the effort in his affidavit to draw attention to the copyright notice on the product labels in evidence, as well as to the corporate relationship between the Registrant and Certified Lab Products when a simple direct statement to the effect that the Registrant had control over the character and quality of the Wares would have sufficed.

[19] Having regard to the foregoing, I find the evidence is unclear and ambiguous in this regard, to the extent that it must be interpreted against the interests of the registered owner [*Aerosol Fillers Inc, supra*]. Consequently, I find the evidence does not clearly show use of the Mark by the Registrant or use by a proper licensee which would inure to its benefit pursuant to section 50 of the Act.

Disposition

[20] Accordingly, in view of the aforementioned, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

Kathryn Barnett
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office