



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

Citation: 2017 TMOB 22
Date of Decision: 2017-02-17

IN THE MATTER OF A SECTION 45 PROCEEDING

Chao-Chin Su

Requesting Party

and

Jeff R. Chang

Registered Owner

TMA676,575 for Michiu & Design

Registration

[1] At the request of Chao-Chin Su (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 11, 2015, to Jeff R. Chang (the Owner), the registered owner of registration No. TMA676,575 for the trade-mark Michiu & Design (the Mark) as illustrated below:



[2] The Mark is registered in association with 'rice wine and distilled spirits, namely rice wine with 19.5% alcohol per volume'. I shall use the term Goods to refer to rice wine with 19.5% alcohol per volume.

[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 goods 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 between February 11, 2012 and February 11, 2015 (the Relevant Period).

[4] The relevant definition of “use” in association with 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.

[5] 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 the threshold for establishing use in section 45 proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and 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 and services specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Angela Chang, sworn on May 1, 2015 to which are attached exhibits A and B. Both parties filed written representations and were represented at a hearing.

Evidence

[7] In her affidavit, Ms. Chang states that she is the Secretary/Officer of SSC International Inc (SSC), the Owner’s licensee. She explains that the Owner is the principal shareholder and CEO of SSC. She adds that at all material times, and during the Relevant Period, the Owner granted SSC an exclusive license and permission to use the Mark and apply it to the Goods. She

states that the Owner exercised direct control over the quality of the Goods during the Relevant Period.

[8] Ms. Chang confirms that, throughout the Relevant Period, SSC applied the Mark on the Goods “by means of attaching labels with the Trade-mark on containers”. She attaches, as Exhibit A a photograph of a bottle (page 1 of 3), a photograph of 3 bottles (page 2 of 3), and what appears to be a publicity flyer on which there is a representation of a bottle (page 3 of 3). She describes the bottle appearing on page 1 of 3 as a typical container for the Goods sold in the ordinary course of trade. I note that the Mark appears on the bottle’s label.

[9] Ms. Chang asserts that SSC distributes and sells the Goods so marked with the Mark to its customers. She affirms that the Mark remains affixed to the Goods when they are displayed and subsequently sold by SSC customers to the general public.

[10] At Exhibit B to her affidavit, Ms. Chang attaches five invoices issued during the Relevant Period which she states are for sales in the normal course of trade of bottles of rice wine displaying the Mark. I note that the invoices are from SSC to individuals with addresses in Canada. Each invoice contains in the “description portion” the mention “19.5%”.

Analysis of the evidence

[11] The Requesting Party raises the following issues:

- There are no specifics regarding how the Owner exercised control. If not explained, the requirements of section 50 are not met;
- there is no evidence of what constitute ‘normal course of trade’ for the Owner or SSC;
- noting to the text on the label appearing on the photograph of a bottle, Exhibit A, the Goods are imported by SSC and there is no reference to a licence;
- the Chinese text on the label identifies SSC as an importer, not a licensee;
- the affidavit does not explain the relationship between Fortune Brewery International Co. Ltd, which the Requesting Party submits is referenced on the label; and
- all the exhibited invoices are to individuals and not companies and thus implies that the Goods were not in fact resold by those individuals to the general public, contrary to Ms. Chang’s statement.

[12] For its part, the Owner submits that the evidence is sufficient to establish use of the Mark as required by section 45 notice. There are photographs of bottles containing the Goods on which the Mark is affixed, as well as invoices showing sales of the Goods in Canada during the Relevant Period. The Owner argues that such sales were made by the Owner's licensee and the Owner exercised direct control over the quality of the Goods. Therefore, such use of the Mark is deemed use by the Owner by virtue of the provisions of section 50(1) of the Act.

Translation of Chinese Text

[13] Annexed to the Requesting Party's written submissions is a set of translations of Chinese text into English. The translated Chinese characters would be those appearing on page 3 of Exhibit A which appears to be a publicity flyer. On that flyer, there is a representation of a bottle with a label affixed to it bearing the Mark. The Requesting Party states that those translations are the results obtained using online dictionaries such as "*Google Translate*".

[14] The Requesting Party argues that the translation set out in Appendix A to its written submissions show that ambiguities arise from the presence of Chinese text in the material in Exhibit A to the Chang affidavit, in so far as the status of SSC namely, a distributor, an importer or a licensee.

[15] The Requesting Party relies on the Registrar's decision in *Smart & Biggar v Constellation Brands Quebec Inc*, 2015 TMOB 82 where in a section 45 proceeding certain translations from French to English were annexed to the requesting party's written submissions. Such material consisted of extracts from dictionaries as well as results obtained using *Google Translate*. However, the Registrar only considered the dictionaries' definitions as she herself was entitled to consult dictionaries to determine the meaning of certain words. She did not rely on the Requesting Party's results obtained using *Google Translate*.

[16] As such, I do not see the decision in *Smart & Biggar* to stand for the proposition that the Requesting Party may file as evidence the results of translation work obtained using *Google Translate*. Indeed, it is well settled that a requesting party in a section 45 proceeding cannot file evidence before the Registrar [see *Meredith & Finlayson v Canada (Registrar of Trade-Marks)*,

(1991), 40 CPR (3d) 409 (FCA)]. Consequently, any reference to the translation results obtained by the Requesting Party using *Google Translate* shall be disregarded.

[17] In any event, as mentioned by the Owner at the hearing, the registration contains a translation of the Chinese characters that are part of the Mark. It reads as follows:

As per applicant, the transliteration and the translation of the two uppermost characters is TAIWAN; for the two characters on the left, the transliteration is HONG BIAU, translated into English as RED TAG; and the transliteration of the two characters in the center is MICHIU, translated into English as RICE WINE.

[18] Notwithstanding the Requesting Party's attempt to translate the Chinese text on the exhibits filed, the only Chinese characters that matter for purposes of this proceeding are the characters appearing in the Mark.

The status of SSC International

[19] As noted above, in her affidavit, Ms. Chang states that the Owner granted SSC a license to use the Mark and that the Owner exercised direct control over the quality of the Goods during the Relevant Period. In this respect, she states that the Owner is also the principal shareholder and CEO of SSC.

[20] The Requesting Party argues that such allegations are not sufficient to establish that use of the Mark by SSC inures to the benefit of the Owner pursuant to section 50(1) of the Act, as Ms. Chang did not elaborate on how the Owner exercised such control.

[21] However, it has been ruled that a simple statement that an owner exercised direct control over the quality of the subject goods and/or services is sufficient in the context of a section 45 proceeding to satisfy any requirements of section 50(1) of the Act [see *Gowling Strathy & Henderson v Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB)].

[22] In any event, when the evidence shows that the same person is both the owner of the registration and in control of the corporation that is using the trade-mark, as it is in the present case, this also satisfies any requirements of section 50 of the Act [see, for example, *Petro-Canada v 2946661 Canada Inc* [1999] 1 FC 294].

[23] As such, I am satisfied that any use of the Mark by SSC is deemed use of the Mark by the Owner.

[24] The Requesting Party notes that on the label appearing on the bottle, page 3 of Exhibit A, SSC is identified as the importer of the Goods rather than a licensee. Therefore, it submits that there is some ambiguity in the evidence as to the status of SSC.

[25] However, nothing prevents an importer from also being a licensee of the trade-mark appearing on the imported goods.

[26] Similarly, in its written submissions, the Requesting Party makes reference to another entity, Fortune Brewery International Co. Ltd. (Fortune), which name apparently appears on the label affixed to the bottle shown on page 3 of Exhibit A to the Chang affidavit. In order to clearly see that name, the Requesting Party reproduced an enlargement of that label in its written submissions [at page 3 of its written submissions]. The Requesting Party notes that Ms. Chang is silent on the relationship between the Owner and Fortune.

[27] I first note that, due to the enlargement the image provided by the Requesting Party, its quality is so poor that it is impossible to identify such name. In any event, if it were the case, Ms. Chang's affidavit is clear that the Owner's licensee, SSC, sold in Canada, during the Relevant Period, Goods in association with the Mark. As such, the status of Fortune and its relationship to the Owner is irrelevant for the purpose of this proceeding.

[28] In this respect, I note that section 45 proceedings are summary in nature. The Requesting Party is not entitled to a full explanation of the relationship between the registered owner and any entities referenced in the evidence. I simply have to determine if the Mark, as registered, was used in Canada by the Owner during the Relevant Period in association with the Goods.

Normal course of trade

[29] Finally, as noted above, The Requesting Party argues that since all five exhibited invoices appear to show sales to individuals, this implies that the Goods sold by SSC were *not* resold by such individuals. If true, the Requesting party submits that this is inconsistent with Ms. Chang's statement that SSC's customers, in turn, sold the Goods to the general public.

[30] However, in *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6(FCTD), the Federal Court concluded that “if any part of the chain takes place in Canada, this is "use" in Canada within the meaning of s. 4”. In this case, evidenced sales by SSC, the Owner’s licensee, to customers in Canada, establishes the requisite use.

Disposition

[31] In view of all of the foregoing, I am satisfied that the Owner has established use of the Mark in Canada in association with the Goods during the Relevant Period.

[32] Consequently, 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 maintained.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: January 26, 2017

APPEARANCES

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FOR THE REGISTERED OWNER

Mr. Mark Robbins

FOR THE REQUESTING PARTY

AGENT(S) OF RECORD

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