



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

Citation: 2018 TMOB 51

Date of Decision: 2018-05-24

IN THE MATTER OF A SECTION 45 PROCEEDING

Lidl Stiftung & Co. KG

Requesting Party

and

Liberty Merchant Company Inc.

Registered Owner

TMA605,283 for LIBERTY

Registration

[1] This decision pertains to a summary expungement proceeding with respect to registration No. TMA605,283 for the trade-mark LIBERTY (the Mark), owned by Liberty Merchant Company Inc.

[2] The Mark is registered in association with the following services:

(1) Wholesale, distribution, import and export of alcoholic beverages excluding all types and styles of beer and beer-based beverages.

(2) Retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages.

[3] For the reasons that follow, I conclude that the registration ought to be amended to delete “wholesale, distribution, import and export of alcoholic beverages excluding all types and styles of beer and beer-based beverages”.

THE PROCEEDING

[4] On November 4, 2015, the Registrar of Trade-marks sent a notice under section 45 of the *Trade-marks Act*, RSC 1985, c T 13 (the Act) to Liberty Merchant Company Inc. (the Owner). The notice was sent at the request of Lidl Stiftung & Co. KG (the Requesting Party).

[5] The notice required the Owner to furnish evidence showing that it had used the Mark in Canada, at any time between November 4, 2012 and November 4, 2015 (the Relevant Period), with respect to each of the services specified in registration No. TMA605,283. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used in Canada and the reasons for the absence of use since that date.

[6] The use of a trade-mark in association with services is governed by section 4(2) of the Act. This section provides that a trade-mark is used in association with services if it is used or displayed in the performance or advertising of those services.

[7] Section 45 proceedings are considered to be summary and expeditious for clearing the register of non-active trade-marks. The expression “clearing deadwood” has often been used to describe these proceedings. The threshold for establishing use in section 45 proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD); *Austin Nichols & Co v Cinnabon, Inc* (1998), 82 CPR (3d) 513 (FCA)]. Nevertheless, sufficient facts must be presented to allow the Registrar to conclude that the trade-mark was used in association with each of the registered goods and services at any time during the relevant period [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448, 31 CPR (4th) 270]. Mere assertions of use are insufficient to prove use of the trade-mark [*Aerosol Fillers Inc v Plough (Canada) Ltd* (1980), 53 CPR (2d) 62 (FCA)].

[8] In response to the Registrar’s notice, the Owner furnished the affidavit of Robert G. Simpson, dated June 6, 2016, with accompanying Schedules “A” to “R”.

[9] Only the Owner filed written representations. Both parties were represented at a hearing.

THE OWNER'S EVIDENCE

[10] Mr. Simpson describes himself as “the president, director and an authorized signatory” of the Owner, and as the general manager of Liberty Wine Merchants Ltd. (the Subsidiary), a wholly owned subsidiary of the Owner. Mr. Simpson provides printouts from the British Columbia Registrar of Companies for the Owner and the Subsidiary [Schedules “A” and “B” to the affidavit].


[11] Mr. Simpson explains that the Owner does business under the names or trading styles “Liberty Merchant Co.” and “Liberty Merchant Company” and that the Subsidiary does business under the name or trading style “Liberty Wine Merchants”.

[12] Mr. Simpson states that, in 1999, the Owner “sectioned off its retail operations through [the Subsidiary]”, which “operates the retail portion” of the Owner’s business. Mr. Simpson confirms that the Subsidiary has been a licensed user of the Mark since 1999.

[13] Mr. Simpson states that the Mark has been used in Canada in association with the services listed in registration No. TMA605,283 (thereafter collectively referred to in his affidavit as “the Services”) during the Relevant Period and that the Mark continues to be so used. My subsequent use of “the Services” will reflect the use of this term by Mr. Simpson in his affidavit.

[14] In this respect, Mr. Simpson provides within his affidavit the addresses of the six retail stores operated in the greater Vancouver area at the time of his affidavit, as well as the year of issuance of each of their retail liquor licenses. Digital images of three of the retail stores, captured in April 2015 or September 2015, as the case may be, are attached as Schedules “G” to “H” to the affidavit. I am satisfied that each image shows a store front with signage featuring the Mark.

[15] Mr. Simpson states that each retail store utilizes paper bags, recycled cloth bags and plastic bags, all of which prominently display the Mark, for its customer purchases. In support, he provides a specimen of each type of bag [Schedules “J” to “L” to the affidavit]. These bags display the logo shown below, which I find to be a display of the Mark.

LIBERTY[™]

WINE MERCHANTS

[16] As evidence of actual sales of the Services, Mr. Simpson provides the following invoices as schedules to his affidavit:

- A sampling of invoices to retail customers [Schedule “M”]. I note that these invoices issued by the Subsidiary cover the years 2012 through 2015.
- A sampling of invoices purportedly confirming performance of the import/export and wholesale services during the Relevant Period [Schedule “N”]. I note that these invoices cover the years 2014 and 2015; the issuers are different entities located abroad. Although the information contained in some of the invoices is neither in French nor in English, it is clear that all of the invoices are addressed to the Owner.

[17] Mr. Simpson asserts that the retail stores have received many awards and special recognition. In support, he provides excerpts from Vancouver’s “The Georgia Straight” newspaper website for the years 2014 and 2015 [Schedule “O” to the affidavit]. I acknowledge that the excerpts show that “Liberty Wine Merchants” was awarded either first or second place in the category “Best Private Wine Store”. Still, these excerpts do not constitute evidence of use of the Mark in the performance or advertisement of retail store services.

[18] Mr. Simpson further asserts that the Owner partakes in and sponsors special events around Vancouver. In support, he provides the following material as schedules to his affidavit:

- The advertisement for the January 15, 2013 Taste of BC event to benefit the BC Children’s Hospital Foundation [Schedule “P”].
- The advertisement for the August 16, 2012 “Bottles and Bangers” wine tasting event to benefit Amateur Sports at the Vancouver Rowing Club [Schedule Q”].
- An image from April 2011 showing an example of promotional signage throughout the retail stores [Schedule “R”].

[19] I note that the advertisement filed as Schedule “P” displays the Mark and refers to “Liberty Wine Merchant locations”. However, the stores are only referenced as locations selling tickets for the event. Therefore, it is unclear how the advertisement is related to the registered services. The same goes for the advertisement filed as Schedule “O”, which additionally predates the Relevant Period. As for the example of promotional signage filed as Schedule “R”, it too predates the Relevant Period.

[20] Mr. Simpson states that the gross revenues and advertising figures of the Owner and the Subsidiary are confidential information. However, he attests that “based on [his] knowledge given [his] annual review of financial records, the net revenues in Canada attributed to the advertisement and sale of Services bearing the [Mark] for each of the years in the Relevant Period were in the millions of dollars”.

[21] In addition to the aforementioned, the following material is provided by Mr. Simpson as evidence supporting his assertions regarding the promotion, advertisement and use of the Mark:

- Printouts from the Whois.Net domain name registration database for *www.libertywinemERCHANTS.com* [Schedule “C”].
- Printouts from the website *www.libertywinemERCHANTS.com* obtained from the Internet Archive Wayback Machine (the Wayback Machine), and printouts from the “current” website [Schedule “D”].
- Printouts from the Whois.Net domain name registration database for *www.libertyMERCHANTCOMPANY.com* [Schedule “E”].
- Printouts from the website *www.libertyMERCHANTCOMPANY.com* obtained from the Wayback Machine, and printouts from the “current” website [Schedule “F”].

[22] I note that the Whois.Net domain name registration database shows Robert Simpson as the “Registrant Name” and the Owner as the “Registrant Organization” for the domain names *www.libertywinemERCHANTS.com* and *www.libertyMERCHANTCOMPANY.com*. Be that as it may, ownership and use of these domain names do not amount to use of the Mark.

[23] With respect to the website *www.libertywinemERCHANTS.com*, I note that some of the pages printed out from the Wayback Machine as well as some of the “current” pages display the Mark

in the top left corner in the same manner as on the shopping bags, but without the TM designation to the bottom right of LIBERTY [see paragraph 15 of my decision].

[24] Finally, with respect to the website *www.libertymerchantcompany.com*, I note that the Mark, as shown on the shopping bags, is displayed in the top left corner of one of the pages for the “current” website. However, no image can be viewed on the pages printed out from the Wayback Machine, in that only text is shown. Thus, I cannot ascertain whether the Mark was displayed on these pages as it is on the current website. At best, I can view the trade-name “Liberty Merchant Company” displayed in the top left corner.

PRELIMINARY REMARKS

[25] The schedules to the affidavit of Mr. Simpson have not been endorsed. This is technically a deficiency in the form of the affidavit. However, the absence of an endorsement on an exhibit will not necessarily be fatal if, as here, no objection was raised by the other party [*Maximilian Fur Co, Inc v Maximillian for Men’s Apparel Ltd* (1983), 82 CPR (2d) 146 (TMOB)]. Indeed, the Registrar has at times accepted exhibit evidence that is not properly endorsed by a notary or commissioner for taking oaths, if the evidence is clearly identified and explained in the body of the affidavit [*Borden & Elliot v Raphaël Inc*, 2001 CanLII 37766, 16 CPR (4th) 96 (TMOB)].

[26] In the present case, each schedule has been clearly identified and explained in the affidavit and is also identified by a cover page. I therefore find that the schedules accompanying Mr. Simpson’s affidavit are admissible as evidence for the purpose of this proceeding.

ANALYSIS OF THE ISSUES

[27] I shall begin by providing an overview of the parties’ representations concerning the evidence. I will thereafter analyse the issues arising in this case, at which time I will return to the evidence and the parties’ representations.

[28] The Owner essentially submits that it has met the onus under section 45 of the Act to show its use of the Mark in Canada during the Relevant Period in association with each of the registered services. Therefore, the Owner requests that the registration be maintained.

[29] It emerges from the hearing that the Requesting Party does not dispute that the evidence establishes use of the Mark in Canada during the Relevant Period by the Subsidiary in association with “retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages” (the Retail Store Services). However, the Requesting Party submits that the evidence does not establish that the Owner exercised control over the Retail Store Services provided by the Subsidiary in association with the Mark—as required by section 50 of the Act—and that, therefore, the use by the Subsidiary does not accrue to the benefit of the Owner.

[30] With regard to the services “wholesale, distribution, import and export of alcoholic beverages excluding all types and styles of beer and beer-based beverages” (the Remaining Services), the Requesting Party submits that the Owner’s evidence consists of mere assertions of use by Mr. Simpson, there being no factual evidence establishing use of the Mark in association with any of the Remaining Services at any time whatsoever.

[31] There are two issues that arise from the parties’ representations in the present case.

1. Does the use of the Mark in association with the Retail Store Services accrue to the benefit of the Owner?
2. Does the evidence show use of the Mark in association with the Remaining Services?

[32] I will address each issue in turn.

Does the use of the Mark in association with the Retail Store Services accrue to the benefit of the Owner?

[33] Section 50(1) of the Act requires the owner of a trade-mark to control, either directly or indirectly, the character or quality of the goods or services sold under that trade-mark in order to benefit from the use of its trade-mark by a licensee.

[34] There are three main methods by which a trade-mark owner can demonstrate the requisite control pursuant to section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of a licence agreement that provides for the requisite control [per

Empresa Cubana del Tabaco v Shapiro Cohen, 2011 FC 102, 91 CPR (4th) 248 at para 84]. The Requesting Party argues that none of these methods have been satisfied in the present case. The Requesting Party goes as far as arguing that Mr. Simpson, at paragraph 6 of his affidavit, only confirms that the Subsidiary is a licensed user of the Mark; he does not confirm that the Owner is the licensor. I consider this argument from the Requesting Party to be highly technical in nature.

[35] That being said, I agree with the Requesting Party that there is no clear statement in the affidavit that the Owner exerts the requisite control under section 50(1) of the Act. Also, Mr. Simpson did not furnish a copy of a licence agreement that provides for the requisite control.

[36] Thus, the question becomes whether the evidence demonstrates that the Owner actually exerts the requisite control. In this regard, the Owner submits that the fact that Mr. Simpson is both president of the Owner and general manager of the Subsidiary is sufficient to show that the Owner exerts the requisite control. I agree.

[37] Indeed, an inference may be drawn that the requisite control under section 50(1) of the Act exists where an individual is a director or an officer of both the registered owner and the licensee [*Petro-Canada v 2946661 Canada Inc* (1999), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)* 1999 CarswellNat 652 (FCA)].

[38] At the hearing, the Owner argued that a general manager is equivalent to a president of a corporation (citing the definition of “general manager” in *Black’s Law Dictionary*).

[39] Having exercised my discretion to check dictionaries, I have confirmed the following definition of “general manager” in *Black’s Law Dictionary* (Eight Edition):

A manager who has overall control of a business, office, or other organization, including authority over the managers. • A general manager is usu. equivalent to a president or chief executive officer of a corporation.

[40] I have also checked the online version of the *Canadian Oxford Dictionary* (2 ed), where I noted the following definition of “general manager”: “...the person having overall responsibility for the operations of a company or other organization.”

[41] In view of the above, I am prepared to infer from the evidence that the use of the Mark by the Subsidiary is licensed use accruing to the benefit of the Owner pursuant to section 50(1) of the Act [per *Petro-Canada, supra*; and *Lindy, supra*].

[42] Accordingly, since I am satisfied that the evidence establishes use of the Mark in association with the Retail Stores Services by the Subsidiary during the Relevant Period, I conclude that the Retail Stores Services ought to be maintained in the registration.

Does the evidence show use of the Mark in association with the Remaining Services?

[43] The Requesting Party contends that the Remaining Services must be broken down into four services, namely “wholesale”, “distribution”, “import” and “export” services, each featuring alcoholic beverages, excluding all types and styles of beer and beer-based beverages. It submits that the Owner did not provide evidence of use of the Mark in association with any of these Remaining Services.

[44] In determining whether the evidence in this case demonstrates use of the Mark in association with the Remaining Services, I note that in certain cases, a statement of services may contain “overlapping and redundant terms in the sense that the performance of one service would necessarily imply the performance of another” [*Gowling Lafleur Henderson v Key Publishers Co*, 2010 TMOB 7 at para 15]. Further, the law is clear that the “services” with respect to which a trade-mark may be established are not limited to those that are not “incidental” or “ancillary” to the sale of goods or to the performance of other services [see *Kraft Ltd v Canada (Registrar of Trade Marks)* (1984), 1 CPR (3d) 457 (FCTD)]. As long as some members of the public, consumers or purchasers, receive a benefit from the activity, it may be considered a service [*Carling O’Keefe Breweries of Canada Ltd-Brasseries Carling O’Keefe du Canada Ltee v Anheuser-Busch Inc* (1985), 4 CPR (3d) 216 (TMOB)].

[45] As it appears from my review of the evidence, most of Mr. Simpson’s affidavit speaks to the Mark being used in association with the Retail Store Services. Furthermore, there is very little documentary evidence provided to support Mr. Simpson’s assertions of use of the Mark in association with the Remaining Services.

[46] Be that as it may, at the hearing the Owner relied in part on the sampling of invoices filed as Schedule “N” to the affidavit as evidence establishing use of the Mark in association with the Remaining Services. According to Mr. Simpson, these invoices confirm “the import/export and wholesale services” associated with the Mark.

[47] The Owner also relied on the printouts from the websites *www.libertywinemerchants.com* and *www.libertymerchantcompany.com* as evidence establishing use of the Mark in association with the Remaining Services [Schedules “D” and “F” to the affidavit].

[48] Finally, at the hearing, I did ask the Owner to point out the documentary evidence related to the *distribution* services. In reply, the Owner argued that the performance of the import services implies the performance of the distribution services. Simply put, the Owner’s argument was that alcoholic beverages imported into Canada are subsequently distributed by the importer.

[49] For the reasons that follow, I conclude that the documentary evidence relied upon by the Owner does not support Mr. Simpson’s assertions of use of the Mark in association with the Remaining Services.

[50] As regards the nine invoices filed as Schedule “N”, I acknowledge that eight of them are dated within the Relevant Period. Still, I find that they do not assist the Owner’s case. For one thing, as I have previously indicated, the invoices addressed to the Owner were issued by entities located abroad. Accordingly, I am at most prepared to accept that these invoices relate to the *import* services, in that they establish that the Owner purchased wines from foreign suppliers. Furthermore, and more importantly, the references to the Owner’s trade-name or corporate name on these invoices are made by the *suppliers* to identify a customer of their exporting services. In other words, these references are not made by or on behalf of the Owner in the performance or advertising of its own services.

[51] As regards the pages from the “current” websites *www.libertywinemerchants.com* [Tab 5 in Schedule “D”] and *www.libertymerchantcompany.com* [Tab 2 in Schedule F], I am at most prepared to infer that they were printed out at the time of the affidavit, which is dated June 6, 2016. Accordingly, I agree with the Requesting Party that this evidence falls outside the

Relevant Period and so I will not discuss it further. This leads me to discuss the evidence consisting of printouts obtained from the Wayback Machine for both websites.

[52] The Wayback Machine printouts for the website *www.libertywinemERCHANTS.com* cover the years 2012 to 2015 [Tab 1 to Tab 4 in Schedule “D”]. Based on a plain reading of the text found under the headings “About Liberty Wine” and “Company Profile”, it is apparent that the information pertains to the operation of retail stores featuring wines. Further, there is no information on these website pages that may be viewed as pertaining to wholesale, distribution, import, or export services.

[53] The Wayback Machine printouts for the website *www.libertyMERCHANT.com* are from the year 2012 (November 27 and November 30) [Tab 1 in Schedule “F”]. The Owner pointed out the following sentence under the heading “About Us”:

Great wine is not made in a factory; our commitment to importing only the highest quality products has underpinned our work for over twenty-five years.

[54] Also of note is the “Supplier Spotlight” section of the website that references access to a rare collection of aged Burgundy produced by Remoissenet Père et Fils, head quartered in the heart of Beaune and one of Burgundy’s “most venerable” producers.

[55] In the end, I am satisfied that the pages from the year 2012 for the website *www.libertyMERCHANT.com* advertise import services for wine. Thus, the issue becomes whether these pages establish use of the Mark in the advertisement of such services. I find that they do not.

[56] Indeed, because no image can be viewed on the printouts, I cannot conclude that the website in 2012 displayed the Mark similarly to the current website. Furthermore, in the circumstances of this case, I find it is reasonable to conclude that “Liberty Merchant Company” in the top left corner is use of the Owner’s trade-name, not use of the Mark on its own. While the words “Merchant” and “Company” may be descriptive, the word “Liberty” does not stand out from those terms. Furthermore, other references to “Liberty Merchant Company” on the pages reinforce the impression of the trade-name “Liberty Merchant Company” rather than that of the Mark on its own.

[57] Finally, as I have concluded that the Owner has not established use of the Mark in association with the import services, it is not necessary to decide whether the performance of import services implies the performance of distribution services.

[58] In view of the above, I am not satisfied that the affidavit of Mr. Simpson provides sufficient factual evidence for me to conclude that the Mark has been used in Canada in association with any of the Remaining Services during the Relevant Period or otherwise. Furthermore, the affidavit of Mr. Simpson does not put forward special circumstances to justify the absence of use of the Mark in association with any of the Remaining Services.

[59] Accordingly, I conclude that the Remaining Services ought to be deleted from the registration.

DISPOSITION

[60] Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be amended to delete “wholesale, distribution, import and export of alcoholic beverages excluding all types and styles of beer and beer-based beverages”, in compliance with the provisions of section 45 of the Act.

[61] The amended statement of services will read as follows:

Retail store services featuring alcoholic beverages excluding all types and styles of beer and beer-based beverages.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2018-02-28

APPEARANCES

Trisha A. Doré

FOR THE REGISTERED OWNER

Gabriel St-Laurent

FOR THE REQUESTING PARTY

AGENTS OF RECORD

ACCUPRO TRADEMARK SERVICES LLP

FOR THE REGISTERED OWNER

ROBIC

FOR THE REQUESTING PARTY