



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

**Citation: 2018 TMOB 101**

**Date of Decision: 2018-09-27**

**IN THE MATTER OF A SECTION 45 PROCEEDING**

**Hill & Schumacher**

**Requesting Party**

**and**

**Kabushiki Kaisha Fernandes a/t/a  
Fernandes Co., Ltd.**

**Registered Owner**

**TMA578,795 for HIWATT**

**Registration**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA578,795 for the trade-mark HIWATT (the Mark), owned by Kabushiki Kaisha Fernandes a/t/a Fernandes Co., Ltd.

[2] The Mark is current registered in association with “amplifier for electric guitar”.

[3] For the reasons that follow, I conclude that the registration ought to be maintained.

THE PROCEEDING

[4] On January 22, 2016, the Registrar of Trade-marks sent a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to Kabushiki Kaisha Fernandes a/t/a Fernandes

Co., Ltd. (the Owner). The notice was sent at the request of Hill & Schumacher (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 January 22, 2013 and January 22, 2016, in association with the goods specified in the registration. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[6] 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 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.

[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 such proceedings [*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD)]. While it is true that the threshold for establishing use in a section 45 proceeding 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)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the registered goods during the relevant period [*Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448, 31 CPR (4th) 270]. Mere statements of use are insufficient to prove use [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[8] In response to the Registrar’s notice, the Owner furnished the affidavit of Simon Giles, sworn August 17, 2016, together with Exhibits A through E.

[9] Both parties filed written submissions and attended an oral hearing in the matter.

## THE EVIDENCE

[10] Mr. Giles, a resident of the United Kingdom, attests that he is one of two principal partners in the business of marketing and sales of audio equipment including guitar amplifiers and accessories.

[11] Mr. Giles attests that on July 8, 2013, the Owner assigned, sold, and transferred its entire interest in the subject registration to himself and his business partner Justin Harrison (the Business). He further attests that the Business involves the marketing and sale of HIWATT guitar amplifiers and accessories, available on their website at *www.hiwatt.com*.

[12] Mr. Giles attests that the HIWATT goods are manufactured in the UK on behalf of the Business, and that the Business has licensed Hiwatt Amplification LLC, a US company to sell the registered goods in Canada. He states that the registered goods are sold by Hiwatt Amplification LLC to Canadian retailer, The Guitar Shop, as well as directly to Canadian consumers online, and that such sales were made during the relevant period. He provides as Exhibit A to his affidavit, a printout from the Business' website listing the authorized dealers of HIWATT branded goods, which includes The Guitar Shop in Canada. He further provides as Exhibit B to his affidavit, a printout from The Guitar Shop's website advertising HIWATT guitar amplifiers. He attests that these printouts are representative of how the respective websites appeared during the relevant period. Mr. Giles states that at all times, the Business exercised direct or indirect control over the character and quality of the registered goods manufactured on its behalf in the UK and sold into Canada under the Mark through its licensee, Hiwatt Amplification LLC.

[13] With respect to how the Mark appeared on the registered goods during the relevant period, Mr. Giles provides as Exhibit C to his affidavit, representative images of guitar amplifiers and associated packaging, which he states were sold in Canada during the relevant period. The Mark is clearly visible on the goods. He attests that the goods sold in Canada in association with the Mark during the relevant period all prominently displayed the Mark directly on the amplifiers as well as on packaging.

[14] With respect to commercial transactions for the registered goods, Mr. Giles states that during the relevant period, \$20,000USD on average of HIWATT branded guitar amplifiers were sold each year in Canada. He further provides, as Exhibit D to his affidavit, a representative invoice from Hiwatt Amplification LLC to The Guitar Shop, dated February 6, 2014 for registered goods sold and delivered to Canada during the relevant period. He identifies the registered goods by line item on the invoice and corresponds that good to the one shown in Exhibit C. He confirms that these goods were delivered to The Guitar Shop in Canada during the relevant period.

[15] Lastly, Mr. Giles explains that the registered goods bearing the Mark are advertised on the Business' website as well as in industry print and online publications such as *Guitar Player* and *Vintage Guitar* magazines. In support, he provides, as Exhibit E to his affidavit, a representative sample advertisement showing HIWATT branded registered goods which appeared in *Guitar Player* magazine during the relevant period.

#### ANALYSIS AND REASONS FOR DECISION

[16] The Requesting Party submits that Mr. Giles affidavit should be disregarded, since he is not the registered owner of the Mark, and the affidavit fails to include an assignment agreement between the Owner and the Business, nor does it mention an actual document signed by all parties. Further to this, the Requesting Party submits that to date, no assignment document has been recorded at the Trade-marks Office for the Mark. The Requesting Party submits that in the absence of details or clear evidence of an assignment, these are ambiguities that ought to be interpreted against the interest of the Owner [*Gowling Lafleur Henderson LLP v Midland Walwyn Capital Inc* (2011), 90 CPR (4th) 181 (TMOB)].

[17] In addition, the Requesting Party submits that the affidavit of Mr. Giles does not establish the nature of the relationship between himself and Mr. Harrison since there is no evidence provided relating to their working relationship. In all, the Requesting Party submits, portions of Mr. Giles' affidavit are hearsay; Mr. Giles has not specifically indicated that this information is based on his personal knowledge and instead, the information provided with respect to these paragraphs is from a third party, Hiwatt Amplification LLC, the licensee of Mr. Giles' unnamed 'Business'. Moreover, the Requesting Party submits, a license agreement was not filed. The

Requesting Party submits that evidence must be filed by the registered owner, and the law is abundantly clear that use cannot be shown by just any person [*Star-Kist Foods Inc v Canada (Registrar of Trade Marks)* (1998), 20 CPR (3d) 46; *Seaby, Proulx & Palmer v Astatic Corporation* 1994 CanLII 10026 (TMOB)].

[18] In any event, the Requesting Party submits that Mr. Giles' affidavit only contains bare assertions of use without supporting evidence. In this regard, the Requesting Party submits that the affidavit does not include any order forms, invoices, catalogues, etc. to support that sales of the registered goods were made. The Requesting Party submits that Exhibit D is not an invoice, but rather, merely a purchase order such that no evidence has been submitted pertaining to the sale and transfer of ownership of property of HIWATT registered goods. Further to this, the Requesting Party submits that contrary to Mr. Giles' assertions, there is no evidence that Canadian consumers can order goods directly from the Business' website; the website printout from Exhibit A, the Requesting Party submits, simply includes a list of dealers to whom Mr. Giles and Mr. Harrison purportedly ship products.

[19] The Owner, on the other hand, submits that the issue in these proceedings is whether the Mark is deadwood, which clearly it is not. The Owner submits that although there is no assignment of the Mark recorded with the Canadian Intellectual Property Office (CIPO), and no license agreement filed as part of the evidence, neither of these are required [see *Sim & McBurney v Buttino Investments Inc* (1996) 66 CPR (3d) 77 (FCTD) regarding assignments].

[20] The Owner submits that while the evidence perhaps could have been clearer, distinguishable from the cases of *Midland Walwyn, supra*, and *Astatic Corporation, supra*, the evidence is nevertheless sufficient to support that an assignment of the Mark has taken place. Specifically, the Owner submits, the Mr. Giles has attested that the rights to the Mark were transferred to himself and his business partner, Mr. Harrison. Indeed, the Owner submits that the decision in *Midland Walwyn* supports that the recording of an assignment not necessary, as particulars of the assignment are sufficient to show that a transfer has taken place. In the present case, the Owner submits, the affidavit provides a specific date, the names of the transferor and the transferee "the Business", which is defined as Mr. Harrison and Mr. Giles, business partners (two principal partners in the business of the marketing and sale of audio equipment including

guitar amplifiers and accessories). All of these particulars together, the Owner submits, are sufficient to show that a transfer in the rights to the Mark took place.

[21] The Owner submits that with respect to licensed use of the Mark in Canada by Hiwatt Amplification LLC, that as Mr. Giles has provided a sworn statement that a license exists through which the Owner exercises control over the character and quality of the registered goods, the license agreement need not be included as an exhibit to the affidavit. I agree. Indeed, it is well settled that the filing of a copy of the license agreement is not mandatory as long as the evidence establishes that the owner has control over the quality and character of the goods bearing the mark. In this regard, evidence of the requisite control pursuant to section 50(1) of the Act, in the context of section 45 proceedings, may be satisfied if the owner or the licensee provides a clear statement in the affidavit or the statutory declaration that direct or indirect control of the quality of the goods exists [*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)]. Mr. Giles has provided such evidence and I see no reason to doubt his sworn statements in this regard [*Rubicon Corp v Comalog Inc* (1990), 33 CPR (3d) 58 (TMOB)].

[22] Lastly, with respect to the Requesting Party's submission that Mr. Giles' affidavit only contains bare assertions of use without supporting evidence that sales of the goods were made, the Owner submits that Mr. Giles has provided a sworn statement that the Exhibit D document is in fact an invoice [see *Rubicon, supra*]. In any event, the Owner submits, and I agree, that invoices are not required [*Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FC)]. As further support of sales, as previously indicated in the evidence summary, Mr. Giles has provided sales figures during the relevant period, amounting to \$20,000USD on average of HIWATT branded guitar amplifiers were sold each year in Canada. Consequently, I am satisfied, having regard to the evidence as a whole, that sales of the registered goods were made in Canada during the relevant period.

[23] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with "amplifier for electric guitar" during the relevant period within the meaning of sections 4 and 45 of the Act.

DISPOSITION

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

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

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

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**HEARING DATE** 2018-05-01

**APPEARANCES**

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FOR THE REGISTERED OWNER

John H. Simpson

FOR THE REQUESTING PARTY

**AGENT(S) OF RECORD**

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