



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2019 TMOB 129

Date of Decision: 2019-11-29

IN THE MATTER OF A SECTION 45 PROCEEDING

88766 Canada Inc.

Requesting Party

and

Freedom Scientific BLV Group, LLC

Registered Owner

TMA766,518 for SAPPHIRE

Registration

[1] At the request of 88766 Canada Inc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on July 18, 2017 to Freedom Scientific BLV Group, LLC (the Owner), the registered owner of registration No. TMA766,518 for the trademark SAPPHIRE (the Mark).

[2] The Mark is registered for use in association with the following goods:

Magnifying lenses, namely, hand held magnifiers and video magnifiers for low vision users.

[3] The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with each of the goods specified in the registration, at any time between July 18, 2014 and July 18, 2017. If the Mark had not been so used, the Owner was required to

furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] The relevant definition of “use” in association with goods in the present case is set out in section 4(1) of the Act as follows:

4(1) A trademark 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 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. As such, the threshold for establishing use in section 45 proceedings is quite 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)]. However, sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainer Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Rick Simpson, its Chief Financial Officer, sworn on October 11, 2017 in Florida. Both parties filed written representations and were represented at an oral hearing.

THE OWNER’S EVIDENCE

[7] In his affidavit, Mr. Simpson states that the Owner makes accessibility products for people with visual disabilities, including software and hardware that enables or facilitates reading from print or screen. He further states that the Owner’s normal business includes selling magnifiers to individuals with low vision or to retailers of such goods. Mr. Simpson then specifies that the market for such magnifiers is relatively small.

[8] Mr. Simpson asserts that during the relevant period, the Owner “offered and sold in Canada a magnifier product under the trademark SAPPHIRE”. More particularly, he states that a

company named Canadialog, located in Toronto and specialized in selling products to people with visual disabilities, sold the Owner's SAPPHIRE magnifier.

[9] Mr. Simpson further states that, during the relevant period, the Owner's SAPPHIRE magnifier was included in the list of high-tech visual aids referred to in the Assistive Devices Program product manual published by the Ontario Ministry of Health and Long-Term Care. He explains that the Ontario Ministry of Health pays 75 percent of the approved price for visual aids for Ontario residents with long-term physical disabilities.

[10] In support, Mr. Simpson attaches the following exhibits to his affidavit:

- Exhibit A is a brochure advertising a magnifier, identified on the brochure as the "SAPPHIRE Handheld Video Magnifier", with the Mark prominently displayed on the front of the product, as shown below:



The brochure describes the SAPPHIRE magnifier in the following terms, among others:

- "The Most Versatile On-The-Go Video Magnifier for Low Vision";
- "covers your on-the-go magnification needs";
- "read menus, verify store receipts, see details on maps – even read labels on over-the-counter medicines while at the drug store – with one compact and versatile battery-operated video magnification solution";
- "space under the camera to take notes, jot down phone numbers, and fill out forms";
- "magnification from 3.4x to 16x on a brightly lit seven-inch display screen";
- "22 high-contrast video color modes"; and
- "Connects to a TV for even greater magnification".

- Exhibit B contains pages of the Assistive Devices Program product manual, which lists different types of high-tech visual aids. I note that under the heading “High-Tech Reading Aids” and the subheading “CCTV Optical Enlargement System”, the “Sapphire” product is listed and it is specified that the Owner is the manufacturer of the product. Mr. Simpson asserts that this manual was in effect in 2014.
- Exhibit C is a screen capture from the Internet Archive at *web.archive.org*, showing an archived version of the “Sapphire” page from Canadialog’s website at *canadialog.com/en/sapphire*, which Mr. Simpson attests is from 2016. The Sapphire page promotes the SAPPHIRE magnifier as shown and advertised at Exhibit A and describes the product in similar terms, adding the following:
 - “best on-the-go low vision reading magnifier”;
 - “lies flat on reading material, so there’s no shaking or hand fatigue as with awkward magnifying glasses”; and
 - “tuck it into its included carrying case, your tote bag, or a desk drawer”.
- Exhibit D is an invoice dated January 27, 2015, from Canadialog in Toronto to a customer in Longueuil, Quebec, showing the sale of one SAPPHIRE Handheld Video Magnifier (“*SAPPHIRE Vidéo Loupe Portative*”). Mr. Simpson attests that the invoice documents the sale of the Owner’s SAPPHIRE magnifier and that the product was shipped in early 2015.

ANALYSIS

[11] The Requesting Party’s main submissions regarding the Owner’s evidence can be summarized as follows: i) the evidence does not demonstrate that the product at Exhibit A is the product sold in Canada; ii) there is no evidence that the invoiced sale was in the normal course of trade; iii) the invoice from Canadialog cannot serve as evidence to demonstrate use of the Mark *by the Owner*; and iv) the Owner cannot rely on the same evidence to show use of the Mark in association with multiple registered goods.

[12] I will address each of these points in turn.

The product sold in Canada

[13] The Requesting Party submits that, when Mr. Simpson asserts that the Owner “offered and sold in Canada a magnifier product under the trademark SAPPHIRE”, he fails to clearly indicate that the product depicted and described at Exhibit A is the actual product “sold in Canada”.

[14] As noted above, Mr. Simpson provides an invoice for a sale in Canada as Exhibit D to his affidavit, and attests that the product referenced on the exhibited invoice “would have looked the same as the product shown in Exhibit A and Exhibit C, with the SAPPHIRE trademark prominently displayed on the front of the product”. However, the Requesting Party submits that Mr. Simpson’s use of the conditional form creates ambiguity. In this respect, the Requesting Party notes that the evidence in a section 45 proceeding is only from the owner and is not subject to cross-examination. Accordingly, citing *Grapha-Holding AG v Illinois Tool Works Inc*, 2008 FC 959, the Requesting Party submits that the Owner must furnish evidence that is solid and reliable, and that Mr. Simpson’s use of the conditional verb does not meet this requirement.

[15] In this respect, the Requesting Party also cites *Universal Protein Supplements Corporation v H Young Operations Limited*, 2018 FC 1261, where Justice Roy found that the use of the “conditional form” made the affiant’s statements “less affirmative” [at para 33] and “somewhat diluted” [at para 66].

[16] However, as noted by the Owner, in *Universal Protein*, Justice Roy did not decide to expunge the registration based solely on the affiant’s use of the conditional verb; he considered the owner’s entire evidence significantly deficient—particularly in that it was vague and imprecise regarding how and where the mark “would have appeared”—which is sufficient to distinguish *Universal Protein* from the present case.

[17] Indeed, it is well established that the affidavit must be considered as a whole and that it is not the proper approach to dissect the affidavit such that the statements made are considered only out of context [see *Kvas Miller Everitt v Compute (Bridgend) Limited* (2005), 47 CPR (4th) 209 (TMOB)].

[18] In the present case, when reviewing the evidence as a whole—in particular the product description “*SAPPHIRE Vidéo Loupe Portative*” (the French equivalent of “SAPPHIRE Handheld Video Magnifier”) on the exhibited invoice together with Mr. Simpson’s sworn statements and the other exhibits—I am satisfied that the invoiced product corresponds to the “SAPPHIRE Handheld Video Magnifier” shown at Exhibits A and C.

Transfer in the normal course of trade

[19] The Requesting Party further submits that the Owner’s reliance on a single invoice to show sales in the normal course of trade, without providing further details as to the context of the sale, creates ambiguity that must be resolved against the Owner. In this respect, the Requesting Party cites *Guido Berlucchi & C Srl v Brouillette Kosie Prince*, 2007 FC 245, where the Federal Court indicated that an owner who relies on a single sale is “playing with fire in the sense that he must provide sufficient information about the context of the sale to avoid creating doubts in the mind of the Registrar or the Court that could be construed against him” [at para 20].

[20] However, it is well established that evidence of a single sale can suffice to show a transfer in the normal course of trade, so long as the sale follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trademark [*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD)].

[21] In the present case, Mr. Simpson explains that the Owner’s normal course of trade consists of selling magnifiers to individuals with low vision or to retailers of such goods and that “[t]he market for such magnifiers is relatively small”. The exhibited invoice is consistent with this course of trade. Additionally, as noted by the Owner, the invoice is dated well prior to the issuance of the section 45 notice. Consequently, I see nothing in the evidence that would persuade me that the sale in evidence was not genuine and did not take place in the normal course of trade.

Use by the Owner

[22] The Requesting Party submits that it is not clear whether the invoiced sale was made by the Owner, a distributor, or a licensee of the Owner. In this respect, the Requesting Party submits that the exhibited invoice is from Canadialog and that the affidavit provides no information regarding the relationship between the Owner and Canadialog. The Requesting Party submits that any inference drawn as to the nature of their relationship would be speculative.

[23] However, while the relationship between Canadialog and the Owner is not explicitly stated in the Owner's affidavit, Mr. Simpson attests that the Owner's normal course of trade involves sales of magnifiers to "retailers". He further attests that Canadialog is a company specialized in selling products to people with visual disabilities and that it "offered and sold Freedom Scientific's SAPPHIRE magnifier" (emphasis added). Thus, I find it reasonable to conclude that Canadialog was acting as the Owner's retailer.

[24] Furthermore, the law is clear that the use of a trademark at any point along the chain of distribution enures to the benefit of the owner, provided that the marked goods originate from the owner [*Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); and *Osler, Hoskin & Harcourt v Canada (Registrar of Trade Marks)* (1997), 77 CPR (3d) 475 (FCTD)]. Accordingly, I am satisfied that distribution of the SAPPHIRE magnifier through Canadialog enures to the Owner's benefit in this case.

Correlation of the Owner's evidence to the registered goods

[25] The key issue in this case is whether the Owner can rely on a sale of the "SAPPHIRE Handheld Video Magnifier" to maintain the registration in its entirety. In this respect, the Requesting Party submits that the definition of goods the Owner chose for its registration covers two distinct goods: "hand held magnifiers" and "video magnifiers for low vision users". The Requesting Party submits that the Owner is therefore required to provide *distinct* evidence of use of the Mark for each of these two registered goods. At the hearing, the Requesting Party cited *Sharp Kabushiki Kaisha v 88766 Canada Inc* (1997), 72 CPR (3d) 195 (FCTD) and *Kvas Miller Everitt* in support of this position.

[26] The Requesting Party further submits that the magnifier described in the exhibits cannot be a “hand held magnifier” and a “video magnifier for low vision users” at the same time, even if it has the characteristics of both. Noting that the “Sapphire” product is listed under the device type “CCTV Optical Enlargement System” in the exhibited Assistive Devices Program product manual, the Requesting Party submits that, at best, the product depicted in the exhibits corresponds to the registered good “video magnifiers for low vision users”.

[27] In response, the Owner submits that the registered goods can be interpreted as a single product with two functions, namely a magnifier with both “hand held” and “video” functions, as shown in its evidence. The Owner also argues that the cases cited by the Requesting Party are founded on a logical principle of “superfluosity”, whereas, in the present case, there is no problem of “superfluity” or of “mutual exclusivity” in the statement of goods. These concepts will be discussed below.

[28] In my view, the facts of the cases cited by the Requesting Party are indeed distinguishable from the particulars of the present case.

[29] I would first note that the evidence in the present case shows that the SAPPHIRE magnifier’s “hand held” and “video” features are both *primary* purposes of the product, and that it is sold as such. Indeed, both functions are highlighted in the product advertising to an equal extent and both feature in the product name itself, as described above. Therefore, notwithstanding the Requesting Party’s submissions, I find that the Owner’s evidenced magnifier can correspond equally to either registered good. This is not a case like the one in *Sharp*, where the Court found that goods such as video cassette recorders and microwave ovens, even if they possess a clock function, could not be labelled as “clocks”, given that they are not sold as “clocks” and that their time keeping function is “clearly incidental to the distinct prime use” [at para 11]. In the present case, the evidence shows that two distinct purposes of equal value are articulated in the product advertising and in the commercial name for the subject product.

[30] Second, in *Sharp*, the owner had amended its registration for “watches and clocks” (among other goods) by adding “talking clocks”. The Federal Court held that, in doing so, the owner made “talking clocks” the subject of a “specified registered use” that excluded the “more general use covered by the words ‘clocks and watches’” [at para 14]. Since the only evidence of

use was for “talking clocks”, the Federal Court maintained the decision of the Registrar to expunge the more general goods “watches and clocks”. The Court held that such a new, different use “cannot save the registration of previously registered uses unless these prior uses can be shown to persist on their own account” [at para 16, emphasis added].

[31] However, in the present case, I consider *neither* listed good to be “more general” than the other: (i) the term “hand held magnifiers” can encompass magnifiers either with or without video and (ii) the term “video magnifiers” can encompass magnifiers that either are or are not hand held.

[32] As noted by the Owner, the statement of goods in *Sharp* was found to specify two mutually exclusive categories: clocks that talk and clocks that do not. The owner in that case was attempting to maintain a registration in respect of clocks other than talking clocks only by reference to talking clocks. In the present case, as indicated above, magnifiers that are meant to be hand held and magnifiers that perform video magnification are not mutually exclusive categories. To interpret “hand held magnifiers” as excluding video magnifiers and “video magnifiers” as excluding hand held magnifiers would result in the curious situation where *neither* registered good is maintained, despite the Registrar being satisfied of the Mark’s use in association with a magnifier that is both hand held and video based and that is commercially described *both* ways. Again, this is not a case where one of the registered goods is a “more general use” that appears to exclude a more specific one or where the evidence does not specifically match both definitions in the statement of goods. In this somewhat unusual case, although the evidence deals with a single product, I note that the product has two distinct aspects, each of which independently correlates to a different definition in the statement of goods.

[33] Similarly, in *Kvas Miller Everitt*, the only evidence of use was in association with a computer utility program shown to be for “multiple information retrieval” and “to selectively copy, modify, reformat, print and reorganize files”. Accordingly, the Registrar maintained the registered goods (1) “computer software for use in information retrieval and data manipulation for computers”, but deleted goods (2) “information retrieval software” and (3) “data, file and system manipulation software” from the registration. However, once again, goods (2) and (3) were each “more general” categories from which goods (1) appeared to be carved out and

distinguished. Furthermore, the evidence in that case best corresponded with goods (1). By contrast, in the present case, neither listed good is “more general” nor does the evidence best correspond to only one of the registered goods. The evidence references an on-the-go “Handheld” magnifier just as it references a “Video” magnifier and, therefore, can equally correspond to either registered good.

[34] Lastly, although not cited by either party, an important case on this issue is the *John Labatt* case quoted in *Sharp* and referenced above. In *John Labatt*, the Federal Court of Appeal found that the owner’s evidence of use of its trademark in association with the product “Rainier Lager Beer” could only maintain the registration for the good “beer”.

[35] The Court of Appeal held that,

Specification of the wares other than beer suggest[s], in the absence of proof to the contrary, that each is indeed different in some degree from the others and from “beer” itself, as otherwise the words “ale, porter, stout, malt beverages, malt syrup and malt extracts” are superfluous [at para 13, emphasis added];

and that,

The fact that the other wares specified fall within a group of wares that are in some way related to beer is not sufficient, in my view, to preserve the registration intact. That could only be done if the respondent had also shown that the trade mark is in use in Canada with respect to each of these other wares [at para 14, emphasis added].

[36] However, in the present case, we have “proof” that the magnifier in evidence is *both* a hand held magnifier *and* a video magnifier. Moreover, since “hand held” and “video” are not synonyms and each term addresses a different feature, there is no question of one of the terms being superfluous. Finally, the Owner is not suggesting that evidence of use in association with magnifiers that have *only* been shown to be hand held—or that have *only* been shown to have video—is sufficient to maintain a registration for both features. This is not a case where the owner seeks to maintain a registered good that is only “in some way related to” the good in respect of which use has been shown. This is a case where the owner has shown use with a product that is sold and advertised as a “Handheld” magnifier and, at the same time, shown use with a product that is sold and advertised as a “Video” magnifier.

[37] Consequently, in the particular circumstances of this case, I am satisfied that the evidence demonstrates use of the Mark in association with “hand held magnifiers and video magnifiers for low vision users”. Indeed, the two registered goods are not mutually exclusive and neither registered good is more general in nature. Furthermore, the evidence is clear that the SAPPHIRE magnifier has both “handheld” and “video” features as primary functions; the product can therefore equally and closely correspond to either registered good. Consequently, I cannot conclude that the Owner’s evidence relates to *only one* of the two registered goods. The Mark does not appear to be deadwood in respect of *either* definition. While the statement of goods could have been articulated differently, I note that the validity of the registration is not in dispute in a section 45 proceeding [see *Ridout & Maybee LLP v Omega SA*, 2005 FCA 306], and it would be contrary to the purpose of section 45 proceedings to parse the registered goods in the manner advocated by the Requesting Party in this case, given the evidence before me.

DISPOSITION

[38] In view of all the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with “Magnifying lenses, namely, hand held magnifiers and video magnifiers for low vision users” within the meaning of sections 4(1) and 45 of the Act.

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

Oksana Osadchuk
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2019-07-25

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