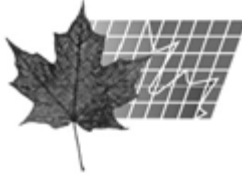


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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 101

Date of Decision: 2020-08-31

IN THE MATTER OF SECTION 45 PROCEEDINGS

Thor Tech, Inc.

Requesting Party

and

Hyundai Auto Canada Corp.

Registered Owner

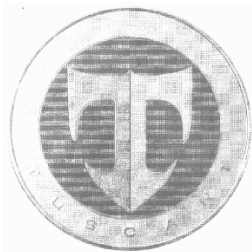
617,580 for TUSCANI

Registrations

638,321 for TUSCANI & Design

INTRODUCTION

[1] At the request of Thor Tech, Inc. (the Requesting Party), the Registrar of Trademarks issued notices under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on April 6, 2018, to Hyundai Auto Canada Corp. (the Owner), the registered owner of registrations No. TMA617,580 for the trademark TUSCANI (the Word Mark) and TMA638,321 for the trademark TUSCANI & Design (the Design Mark; collectively, the Marks). The Design Mark is shown below:



[2] The Marks are registered for use in association with the following goods:

Automobiles and parts therefor, and accessories, namely, emblems, door stripes, body trim stripes, wheel trim rings, fog light kits, sport grills, steering wheel covers, sunroofs, wheel covers, spoiler and striping kits, sunshield wings, wiper wings, rear deck spoilers, front air dams, sport racks, am/fm stereo-CD players, am/fm stereo-cassette players, am/fm stereo radios, speaker kits, speakers, carpeted floor mats, sisal floor mat sets, rubber floor mat sets, shifter knobs, hood deflectors, ground effect kits, key protector pads, t-shirts, jackets, golf shirts, baseball caps, key chains, pens.

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

[4] The notices required the Owner to show whether the Marks have been used in Canada in association with the registered goods at any time within the three-year period immediately preceding the date of the notices 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 April 6, 2015, to April 6, 2018.

[5] The relevant definition of use 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.

[6] It is well established that bare statements that a trademark is in 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 these 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 trademark in association with *each* of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA) (*John Labatt*)].

[7] In response to the Registrar's notices, the Owner furnished the affidavits of Michel Poirier, sworn November 15, 2018. The two affidavits are substantially the same. Both parties submitted written representations and were represented at an oral hearing.

THE OWNER'S EVIDENCE

[8] Mr. Poirier states that he has been the Director of Customer Service for the Owner since November 2016. He explains that the Owner sold automobiles in association with the trademarks HYUNDAI and TIBURON between 1996 and 2010, and that the sports coupe model of the TIBURON automobile also used the Marks. He states that the Owner's dealers sell new and pre-owned HYUNDAI automobiles "in the normal course of trade for Hyundai Canada's automobiles", and that "[t]hird parties also sell used HYUNDAI automobiles which is also the normal course of trade for used automobiles."

[9] Further, Mr. Poirier explains that in the normal course of trade, the Owner's dealers sell parts and accessories to the general public and to mechanics and garages; such parts and accessories are ordered by dealers through an online catalogue and distributed by a parts distribution company which is an affiliate of the Owner. He states that dealers must sign a dealer agreement and a license agreement which sets out a dealer's rights to use the Owner's trademarks, and that the Owner exercises strict control over the dealers' use of the Owner's trademarks.

[10] Mr. Poirier states that although the Owner "is not presently selling new TIBURON automobiles, its dealers do sell used automobiles which could include used TIBURON automobiles from time to time in the normal course of trade." He states that other entities continue to sell used vehicles in association with the Marks "in the normal course of trade for automobiles", and as such, parts and accessories continue to be in demand for such automobiles. As Exhibits A through F, he attaches printouts from used vehicle websites such as *autofrenzy.ca*, *usedvictoria.com*, and *usednanaimo.com* showing HYUNDAI TIBURON TUSCANI automobiles for sale in Canada during the relevant period. In the case of the *usedvictoria.com* listing, a screenshot attached as Exhibit D shows the informational section of the advertisement attached as Exhibit C, indicating that the advertisement expired in August 2017 and listing the vehicle as "SOLD".

[11] As Exhibits G through K, Mr. Poirier attaches a number of physical exhibits, including:

- as Exhibit G, a “cap assembly – wheel hub”, which is a small, circular cap made of metal and plastic displaying the Marks, which Mr. Poirier correlates to the registered good “wheel cover”;
- as Exhibit H, an emblem for the rear of an automobile showing the word TUSCANI;
- as Exhibits I and J, a “mark assembly – hood top” and “mark assembly – tail gate”, both of which are circular caps made of metal and plastic displaying the Marks, which Mr. Poirier correlates to the registered good “emblem”; and
- as Exhibit K, a touch-up paint pen showing the words “Tuscani Yellow” and including the descriptor “pen” in the directions for use printed on the label.

[12] As Exhibits L through JJ, Mr. Poirier attaches a number of invoices showing sales of goods to the Owner’s dealers in Canada during the relevant period. Product numbers corresponding to each of the items attached as Exhibits G through K appear on these invoices; I note that the product listings include the word “TUSCANI” along with product numbers corresponding to the Exhibit H emblem and the Exhibit K touch-up pen; further, listings for the latter include the descriptor “T/U PEN”. Mr. Poirier states that these invoices accompanied the respective goods at the time of transfer.

[13] As such, Mr. Poirier states that the Owner has used the Marks in association with “automobiles and parts therefor, and accessories, namely, emblems, wheel covers and pens.”

[14] Lastly, as Exhibit KK, Mr. Poirier includes a certified copy of the file history for an application by the Requesting Party for the trademark “TUSCANY” in association with “recreational vehicles, namely motor homes”. He concludes by stating that these proceedings appear to have been commenced as a dispute between the Requesting Party and the Owner.

ANALYSIS

[15] At the outset, reference in Mr. Poirier’s evidence and any submissions with respect to a trademark application on the part of the Requesting Party, and any ensuing dispute, will not be considered. While such a dispute may exist between the parties, section 45 of the Act is clear that “any person” may request the issuance of a section 45 notice; thus, nothing prevented the Requesting Party from requesting that the Registrar issue the notices in this proceeding, nor did

the Registrar determine there was good reason to the contrary to send such notices. The sole issue to be determined in a section 45 proceeding is whether a trademark has been used within the meaning of the Act; as such, the motivation of the Requesting Party is generally not a consideration [see *Consorzio del Prosciutto di Parma v Maple Leaf Foods Inc*, 2010 TMOB 52 at para 20; *Norton Rose Fulbright Canada v VSL Canada Ltd*, 2016 TMOB 68 at para 30].

[16] As an additional preliminary matter, I note that at the hearing, the Owner advised that it was only seeking to show use of the Word Mark in association with the registered goods “automobiles and parts therefor, and accessories, namely, emblems, wheel covers and pens”, and use of the Design Mark in association with the registered goods “automobiles and parts therefor, and accessories, namely, emblems, wheel covers”. As there is no evidence of special circumstances that would excuse non-use, the remaining goods will be expunged from the registrations.

[17] The Requesting Party submits that the Owner has not shown use of the Marks in association with any of the registered goods. With respect to automobiles, the Requesting Party states that any alleged sales of used automobiles by third parties by way of third party websites have not been corroborated by any documentary evidence, are not sales in the Owner’s normal course of trade, and do not enure to the benefit of the Owner.

[18] In response, the Owner submits that the normal course of trade may be viewed as a chain of distribution beginning with the manufacturer and ending with sales by retailers to the public, citing *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD). While Mr. Poirier’s affidavit distinguishes between used vehicles sold by the Owner’s dealers as being in the “normal course of trade for [the Owner]’s automobiles”, and sales by third parties as being in the “normal course of trade for used automobiles”, the Owner submits that the latter is sufficient to meet the requirements of sections 4 and 45 of the Act. In support of this proposition, the Owner submits that it is irrelevant that the Owner did not make a profit on such third-party transactions, following *Cosmetic Warriors Limited v. Riches, McKenzie & Herbert LLP*, 2019 FCA 48 (*Cosmetic Warriors*), and that the question of whether the sales enured to the benefit of the Owner is a question of distinctiveness which is outside the scope of section 45 proceedings, following *United Grain Growers Ltd v Lang Michener*, 2001 FCA 66.

[19] It is settled law that use of a trademark within the meaning of sections 4 and 45 of the Act must be use by the registered owner of that trademark or by another person whose use accrued to the owner's benefit, notwithstanding that the wording of the Act does not expressly stipulate as such [*Lindy v Canada (Registrar of Trade Marks)* (1981), 57 CPR (2d) 127 (FCTD) at paras 13-19 (*Lindy*), rev'd on other grounds [1999] FCJ No 682 (FCA); *Star-Kist Foods Inc v Canada (Reg of TM)* (1988), 20 CPR (3d) 46 (FCA) at para 11; *BCF SENCRL v Spirits International BV*, 2012 FCA 131 at para 7; *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120 at para 21]. In other words, a registered owner cannot show use of its trademark by a "stranger" to maintain its registration in a section 45 proceeding [*Lindy* at para 19]. Accordingly, the question of whether use of a trademark enures or accrues to a registered owner is not a question of distinctiveness of the trademark, as the Owner suggests, but a central question in section 45 proceedings. The present case can be distinguished from the *Cosmetic Warriors* case cited by the Owner, as that case dealt with a licensee providing the goods in question to its employees for free or at cost, rather than a private transaction between third parties unrelated to the Owner or its licensees.

[20] In this case, Mr. Poirier does not state that the Owner's licensed dealers sold any automobiles in association with the Marks during the relevant period. Instead, he merely asserts that "dealers do sell used automobiles which could include used TIBURON automobiles from time to time in the normal course of trade"; I note that this statement does not refer either to automobiles sold in association with the Marks or to the relevant period. Further, it is clear based on the wording of Mr. Poirier's affidavit that private third-party sales of used automobiles are not in the Owner's normal course of trade. In the absence of evidence that any licensing relationship existed between the Owner and the third-party sellers, I cannot conclude that any use of the Marks by the third-party sellers referred to in the Owner's evidence would enure to the Owner.

[21] In any event, as noted by the Requesting Party, the screenshots from third party websites are attached by Mr. Poirier for the truth of their contents; further, of the three listings attached to the affidavit, only one (the *usedvictoria.com* listing shown in Exhibits C and D) contains any indication that the advertised automobile was actually sold, and only by the single word "SOLD" in the informational section of the advertisement. Given the summary nature of section 45 proceedings, although "concerns with respect to the hearsay nature of evidence can go to weight,

rather than admissibility” [*Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18 at para 18], in the absence of any further details about the sale of this automobile, I am not prepared to assign more than minimal weight to these documents.

[22] With respect to wheel covers, the Requesting Party submits that the definition of “wheel cover” from the Collins English Dictionary is “a fancy cover for the wheels of motor vehicles: larger than a hubcap”, whereas the wheel hub or hubcap attached as Exhibit G only covers the center portion of the wheel, and is therefore not a wheel cover. Similarly, with respect to emblems, the Requesting Party notes that the Exhibit I and J mark assemblies are not labelled as emblems on the packages in which these goods are distributed or on the invoices. In response, the Owner submits that registrations may be upheld notwithstanding that the language used to refer to the goods in question may have changed over time, and that meticulous analysis of the language of a registration is not appropriate in section 45 proceedings, citing *Canadian Council of Professional Engineers v ING LORO PIANA & C SPA*, 2009 FC 1096; and *Fetherstonhaugh & Co v ConAgra Inc* (2002), 23 CPR (4th) 49 (FCTD).

[23] I concur with the Owner on this point. It is a well-established principle that when interpreting a statement of goods or services in a section 45 proceeding, one is not to be “astutely meticulous when dealing with [the] language used” [see *Aird & Berlis LLP v Levi Strauss & Co*, 2006 FC 654 at para 17]. In this case, given that the wheel hub is a product that covers part of a wheel, I am satisfied that use of the Marks in association with this product would support use in association with the registered goods “wheel covers”. Similarly, I am satisfied that the mark assemblies displaying the Design Mark can logically be considered to fall within the category of emblems. Accordingly, I am satisfied that use of the Marks in association with these products would support use in association with the registered goods “emblems”.

[24] The Requesting Party further submits that display of the Design Mark would not constitute display of the Word Mark, notwithstanding that the word “TUSCANI” forms a portion of the Design Mark, because the public would not perceive the Word Mark as separate from the composite Design Mark.

[25] Use of a word mark in combination with additional words or design elements qualifies as use of the word mark if the public, as a matter of first impression, would perceive the word mark

per se as being used [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB); see also *88766 Canada Inc v National Cheese Co* (2002), 24 CPR (4th) 410 (TMOB)]. Nothing prevents a word mark in such cases from being displayed in combination with design elements [see *Cox & Palmer v PB Brands Inc*, 2018 TMOB 15 at para 22], and there is nothing in the Act that precludes a trademark owner from using more than one trademark at the same time in association with the same goods [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD), and *Canadian Council of Professional Engineers v Ardex Inc* (2001), 13 CPR (4th) 554 (TMOB)]. Finally, use of a word mark can be supported by the use of a composite design mark featuring the word mark and other elements [see *Lion Global Investors Ltd v Lion Capital LLP*, 2012 TMOB 252 at para 17; *Alpina Salami Inc v Alpina Productos Alimenticios SA*, 2011 TMOB 57 at para 16].

[26] In this case, the Design Mark clearly displays the word TUSCANI beneath the design element in a manner that stands out from the design element. As such, I am satisfied that any use of the Design Mark also qualifies as use of the Word Mark.

[27] Finally, with respect to pens, the Requesting Party submits that the Marks do not appear on the pens themselves, their packages, or the invoices. Further, at the oral hearing, the Requesting Party submitted that because the common understanding of pens is stationery pens, and because the listing for pens in the registration follows promotional-type goods such as t-shirts and key chains, the registered goods “pens” should be understood as referring to stationery pens. In response, the Owner submits that the Word Mark appears on the label for the pen and on the invoices for such pens, as does the term “pen”. Again, I concur with the Owner on this point, particularly given that the touch-up pen is described as a “pen” on both the product itself and on the invoices. Given that the Word Mark appears on the pen, and given that the Owner’s invoice evidence shows sales of such pens to dealers in Canada during the relevant period, I am satisfied that the Owner has shown use of the Word Mark in association with the registered goods “pens” within the meaning of the Act.

[28] In sum, the Owner’s evidence shows that the Word Mark appears on products corresponding to the registered goods “emblems”, “wheel covers”, and “pens”, and that the Design Mark appears on products corresponding to the registered goods “emblems” and “wheel

covers”. Further, the Owner has provided invoice evidence showing that it transferred such goods to its dealers in the normal course of trade in Canada during the relevant period.

Accordingly, I am satisfied that the Owner has established use of the Word Mark in association with “accessories, namely, emblems, wheel covers, pens”, and use of the Design Mark in association with “accessories, namely, emblems, wheel covers”, within the meaning of the Act.

[29] By contrast, I am not satisfied that the Owner has shown use of the Marks in association with the registered goods “automobiles” or “parts therefor”. With respect to the latter, it is well-established that a registered owner must establish a *prima facie* case of use of the trademark in association with *each* of the goods specified in the registration [*John Labatt*; see also *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184]. As the Owner chose to list the goods “parts therefor” and “accessories, namely [...]” separately in the registration, the implication is that the registered goods “parts” refers to products other than the accessories listed in the registration; however, Mr. Poirier does not attest that the Marks were used by the Owner or its licensees in association with any products other than those that he correlates with emblems, wheel covers, and pens. As there is no evidence of special circumstances that would excuse non-use, the registered goods “automobiles” and “parts therefor” will be expunged from the registration.

DISPOSITION

[30] In view of all of the foregoing, 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 for the Word Mark will be amended to delete the following registered goods:

Automobiles and parts therefor, and [...] door stripes, body trim stripes, wheel trim rings, fog light kits, sport grills, steering wheel covers, sunroofs, [...] spoiler and striping kits, sunshield wings, wiper wings, rear deck spoilers, front air dams, sport racks, am/fm stereo-CD players, am/fm stereo-cassette players, am/fm stereo radios, speaker kits, speakers, carpeted floor mats, sisal floor mat sets, rubber floor mat sets, shifter knobs, hood deflectors, ground effect kits, key protector pads, t-shirts, jackets, golf shirts, baseball caps, key chains, [...].

[31] The amended statement of goods for the Word Mark will be as follows:

Accessories, namely, emblems, wheel covers, pens.

[32] Similarly, 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 for the Design Mark will be amended to delete the following registered goods:

Automobiles and parts therefor, and [...] door stripes, body trim stripes, wheel trim rings, fog light kits, sport grills, steering wheel covers, sunroofs, [...] spoiler and striping kits, sunshield wings, wiper wings, rear deck spoilers, front air dams, sport racks, am/fm stereo-CD players, am/fm stereo-cassette players, am/fm stereo radios, speaker kits, speakers, carpeted floor mats, sisal floor mat sets, rubber floor mat sets, shifter knobs, hood deflectors, ground effect kits, key protector pads, t-shirts, jackets, golf shirts, baseball caps, key chains, pens.

[33] The amended statement of goods for the Design Mark will be as follows:

Accessories, namely, emblems, wheel covers.

G.M. Melchin
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2020-08-10

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