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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 141

Date of Decision: 2020-12-23

IN THE MATTER OF A SECTION 45 PROCEEDING

David Michaels, J.D.

Requesting Party

and

RE/MAX LLC

Registered Owner

**TMA427,582 for RECTANGLES
DESIGN**

Registration

INTRODUCTION

[1] At the request of David Michaels, J.D. (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 October 31, 2017, to RE/MAX LLP (the Owner), the registered owner of registration No. TMA427,582 for the trademark RECTANGLES DESIGN (the Mark), shown below:



[2] The Mark includes the following colour claim:

Colour is claimed as a feature of the trade-mark. The top rectangular bar is red and the bottom rectangular bar is blue; the middle bar is white and is bounded on the left and right by dotted lines to show the location of such boundary lines; such dotted lines are not part of the trade mark and no claim is made to such dotted lines.

[3] At the time of the issuance of the notice, the Mark was registered for use in association with the following services:

- (1) Real estate brokerage services and franchise sales and support services.
- (2) Real estate and insurance brokerage services and franchise sales and support services.

[4] On December 10, 2020, at the Owner's request, the registration was amended to delete "insurance brokerage services".

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

[6] The notice required the Owner to show whether the Mark has been used in Canada in association with the registered services 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 October 31, 2014, to October 31, 2017.

[7] The relevant definition of use in the present case is set out in section 4(2) of the Act as follows:

4(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[8] 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)]. 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)]; 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 services specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[9] The display of the trademark in the advertisement of the services is sufficient to satisfy the requirements of section 4(2) of the Act, from the time the owner of the trademark offers and is ready to perform the services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[10] In response to the Registrar's notice, the Owner furnished the affidavit of Elton Ash, sworn January 30, 2018. Both parties submitted written representations and were represented at an oral hearing.

THE OWNER'S EVIDENCE

[11] Mr. Ash is the Regional Executive Vice President of RE/MAX of Western Canada, a regional sub-franchisor of the Owner. He states that the Owner has used the Mark in association with real estate brokerage services and franchise sales and support services in Canada since 1977, including throughout the relevant period. He explains that the Owner provides its services in Canada through a network of sub-franchisors, franchisees, and affiliated sales associates ("RE/MAX Affiliates"), who are authorized by the Owner under licence to use the Mark. He confirms that the Owner controls all use of the Mark by sub-franchisors, franchisees, and RE/MAX Affiliates.

[12] Mr. Ash states that in 2013, 2014, 2015, and 2016, RE/MAX Affiliates completed over 300,000 property transactions per year in Canada, valued at over \$1.25 billion. In the course of providing and advertising their real estate brokerage services, RE/MAX Affiliates display the Mark on real estate signs, business cards, newspapers and other print media, television commercials, billboards, and the like. As Exhibits B and C, Mr. Ash attaches photographs of real estate yard signs, screenshots of real estate listings from the relevant period taken from the Internet Archive Wayback Machine, and various advertisements, including television and online advertisements from a media campaign that ran in Western Canada during the relevant period. Mr. Ash states that the latter campaign generated 738 million impressions on consumers in Canada in 2015 and 637 million impressions in 2016. In many instances, the rectangle design is shown in the following configuration, or similar variations involving different text (the Logo):



[13] With respect to franchise sales and support services, Mr. Ash states that at all times during the relevant period, the Owner had over 19,000 RE/MAX Affiliates based in Canada, and generated nearly \$68 million USD from providing services to RE/MAX Affiliates. He states that the Owner offers franchise sales and support services to RE/MAX Affiliates through training materials and the dissemination of information, presentations, and guides on best practices. As Exhibit E, he attaches representative samples of such materials, which he states were distributed and provided in Canada to RE/MAX Affiliates during the relevant period. The Logo appears throughout the materials, including a section in a slide presentation entitled “RE/MAX Trademarks”.

[14] As Exhibits F, G, and H, Mr. Ash attaches promotional materials distributed to prospective RE/MAX Affiliates in Canada during the relevant period, photographs from conferences and trade shows for RE/MAX Affiliates in Canada during the relevant period, and printouts from the website *www.joinremax.ca* as it appeared during the relevant period, respectively. The Logo and similar variations appear throughout the materials.

ANALYSIS

[15] The Requesting Party raises the following issues: that there is no evidence showing use of the Mark as registered, and that the evidence does not show use in association with each of the registered services. Each submission will be considered in turn.

Display of the Mark as Registered

[16] The Requesting Party submits that display of the various permutations of the Logo does not constitute use of the Mark as registered, citing *Medos Services Corp v Ridout and Maybee LLP*, 2015 FCA 77 at paras 5-7 [*Medos*]; and *Terrace (City) v Urban Distilleries Inc*, 2014 FC 833 at para 11 [*Urban Distilleries*], for the proposition that use of a trademark cannot be

established when it is not distinct from other elements. In response, the Owner cites *Bauer Hockey Corp v Easton Hockey Canada, Inc*, 2016 FC 1373 [*Bauer*]; *Rothmans, Benson & Hedges, Inc, v Imperial Tobacco Products Ltd*, 2015 FCA 111 at para 8 [*Imperial Tobacco*]; and *Ogilvy Renault v Pacific Foods Ltd* (2001), 16 CPR (4th) 120 (TMOB), for the proposition that use of shape, design, or colour trademarks may be established despite being overlaid or appearing in association with text or other materials.

[17] In considering whether the display of a trademark constitutes display of the trademark as registered, the question to be asked is whether the trademark was displayed in such a way that it did not lose its identity and remained recognizable, in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this issue, one must look to see whether the “dominant features” of the registered trademark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. The assessment as to which elements are the dominant features and whether the deviation is minor enough to permit a finding of use of the trademark as registered is a question of fact to be determined on a case-by-case basis. If a trademark is used in combination with additional words or features, use will be considered when the public, as a matter of first impression, would perceive the mark as being used *per se* [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB)].

[18] In this case, I concur with the Owner that the Mark has not lost its identity and remains recognizable despite the additional design and textual elements. Indeed, the red, white, and blue rectangles are among the most recognizable and dominant elements of the various formulations of the Logo shown in evidence. In this respect, 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 or services [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD)]. I further note that the *Bauer* and *Imperial Tobacco* cases involved shape- and colour-based design marks, respectively, being used as backgrounds with additional textual elements set in front of them; nevertheless, the courts held that the design marks did not lose their identity and remained recognizable. Similarly, in this case, the rectangle design consistently remains clearly visible and recognizable as a trademark in the various formulations shown in evidence, despite

the additional text and design elements. This case is distinguishable from *Medos*, in which the only appearances of a word mark were as part of an email address and a trade name, and *Urban Distilleries*, where the only appearance of a word mark was in internal communications not circulated to members of the public.

Use in Association with Each of the Services

[19] The Requesting Party submits that the Owner cannot use the same evidence to support use of both services (1) and (2). In response, the Owner submits that Mr. Ash's affidavit distinguishes between evidence of use for "real estate brokerage services" and "franchise sales and support services".

[20] I am satisfied that Mr. Ash's affidavit includes sufficient evidence to support use in association with both "real estate brokerage services" and "franchise sales and support services". Indeed, the affidavit clearly distinguishes between these two services and provides separate evidence with respect to each. With respect to "real estate brokerage services", the Owner's evidence includes numerous instances of the Mark being used by RE/MAX Affiliates on real estate yard signs and on billboard, media, and internet advertising in Canada during the relevant period. Further, Mr. Ash confirms that between 2013 and 2016, RE/MAX Affiliates completed over 300,000 property transactions in Canada, valued at over \$1.25 billion. Accordingly, I am satisfied that the Owner has used the Mark in the course of both performing and advertising "real estate brokerage services" in Canada during the relevant period.

[21] Similarly, with respect to "franchise sales and support services", the Owner's evidence includes numerous instances of the Mark being displayed in training materials and guides distributed to RE/MAX Affiliates in Canada during the relevant period, as well as promotional materials such as brochures, which Mr. Ash confirms were distributed to real estate agents and prospective RE/MAX Affiliates in Canada during the relevant period. Further, Mr. Ash states that the Owner generated approximately 13% of its revenue between 2014 and 2016 from providing services to RE/MAX Affiliates based in Canada. Accordingly, I am satisfied that the Owner has used the Mark in the course of both performing and advertising "franchise sales and support services" in Canada during the relevant period.

[22] As such, I am satisfied that the Owner has shown use of the Mark in association with each of the registered services within the meaning of the Act.

DISPOSITION

[23] 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.

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 2020-11-03

APPEARANCES

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AGENTS OF RECORD

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David Michaels, J.D. For the Requesting Party