



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 260

Date of Decision: 2021-11-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Crazy Aaron Enterprises Inc.

Requesting Party

and

Thinking Technology Inc.

Registered Owner

TMA588,437 for THINKING TOYS

Registration

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA588,437 for the trademark THINKING TOYS (the Mark), currently owned by Thinking Technology Inc.

[2] All references are to the Trademarks Act, RSC 1985, c T-13 as amended June 17, 2019 (the Act), unless otherwise noted.

[3] The Mark is registered for use in association with the following products:

Toys namely electronic talking or sound making dolls, figures, animals, characters and playsets.

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

THE PROCEEDINGS

[5] At the request of Crazy Aaron Enterprises Inc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on August 31, 2018, to Thinking Technology Inc. (the Owner), the current registered owner of the Mark.

[6] The notice required the Owner to show whether the trademark has been used in Canada in association with each of the products specified in the registration 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 August 31, 2015 to August 31, 2018 (the Relevant Period).

[7] 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.

[8] 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. The evidence in a section 45 proceeding need not be perfect; indeed, a registered owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act [see *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184]. This burden of proof is light; evidence must only supply facts from which a conclusion of use may follow as a logical inference [per *Diamant* at para 9].

[9] In the absence of use as defined above, pursuant to section 45(3) of the Act, the registration of a trademark is liable to be expunged, unless the absence of use is due to special circumstances.

[10] In response to the Registrar’s notice, the Owner furnished an affidavit of Adrienne Fung, sworn on March 29, 2021, to which were attached Exhibits “A” through “C”.

[11] Both parties submitted written representations and attended an oral hearing.

THE EVIDENCE

[12] Ms. Fung is the current Vice President of Research and Design at Thinkway Trading Corporation, operating as Thinkway Toys, an Ontario based company which provides packaging design and distributes toys bearing the Mark in Canada. Ms. Fung explains that her company is affiliated to the Owner, and to Super Technology Limited.

[13] The affiant states that the Owner has granted a license to her company and to Super Technology Limited to manufacture, import and sell into Canada a number of toy products bearing the Mark. She also affirms that the Owner directly controlled the character and quality of the products bearing the Mark during the Relevant Period.

[14] Ms. Fung states that the Mark, including its version in the singular, has been displayed on the packaging of various toys sold into Canada by Super Technology Limited during the Relevant Period. She confirms that the toys sold include at least each of the toys listed in the registration, namely, electronic talking or sound making dolls, figures, animals, characters and playsets.

[15] In support, the following relevant exhibits are attached to Ms. Fung's affidavit:

- Exhibit "B" consists of three tabs of photographs of some toys products in packaging bearing the Mark in the singular, namely:
 - a. Disney Pixar Collection – Talking Wall-E – item No. 00087 (Tab 1);
 - b. Disney Pixar Collection – Figures – Item No. 00040 (Tab 2);
 - c. Disney Pixar Collection – Feature Plush Nemo – Item No. 00081 (Tab 3).
- Exhibit "C" consists of invoices for the sale of toys by Super technology Ltd to two companies based in Canada. Exhibit "C" can be described as follows:
 - a. Invoice SIN582274 dated September 8, 2015 to Toys "R" Us which is related to Talking Wall-E (Exhibit "B", Tab 1);

- b. Invoice SIN582275 dated September 8, 2015 to Toys “R” Us which is related to Talking Wall-E (Exhibit “B”, Tab 1);
- c. Invoice SIN610085 dated January 4, 2016 to Toy Galaxy (Canada) Limited which is related to Figures (Exhibit “B”, Tab 2);
- d. Invoice SIN650342 dated May 24, 2016 to Toy Galaxy (Canada) Limited which is related to Feature Plush Nemo, Exhibit “B”, Tab 3).

ANALYSIS AND REASONS FOR DECISION

[16] In its written representations the Requesting Party submits two principal issues:

- The use of a stylized logo mark as opposed to the word mark as registered;
- The non-use of the Mark in association with the registered goods.

[17] At the hearing, the Requesting Party highlighted that Ms. Fung omitted to mention on her affidavit that the alleged sales were made in the Owners’ normal course of trade. Additionally the Requesting Party suggested that the evidence does not show that the requisite control was exercised in accordance with section 50(1) of the Act. Finally, the Requesting Party argued that the customers are buying Disney products not Thinking Toys products and that the relationship with Disney was not established by the Owner.

[18] All the issues that need to be discussed are as follows :

- The trademark used is the Mark as registered;
- The use of the Mark by the Owner or by an authorized licensee;
- The use of the Mark by the Owner in the normal course of trade;
- The use of the Mark in association with each of the registered goods.

The trademark used is the Mark as registered

[19] The Requesting party submits that the Mark was registered as a word mark while the evidence shows use of a stylized logo with decorative elements. I reproduce below the stylized logo as it appears on the photographs Exhibit B:



[20] The Requesting party describes the logo with extensive detail that can be summarized as follows:

- The logo uses the words “THINKING TOY” in two quadrilaterals with rounded corners, one inside the other;
- The word THINKING appears in smaller and capitalized letters at the top of the rectangle;
- The word TOY appears in an enlarged font;
- A luminous lightbulb with rays of light is located within the letter “O”;

I note that this element is considered by the Requesting Party as the most dominant part of the logo;

- The letter “S” has been removed;
- The logo appears in distinct colors. The main rectangle is blue, the word “THINKING” at the top of the rectangle is in white, the letter “T” is red, the letter “O” around the luminous lightbulb is yellow, and the letter “Y” is blue;
- The ® symbol is displayed at the lower right-hand corner outside the quadrilaterals implying that it is the logo that is registered and not the Mark.

[21] The Requesting Party submits that the logo is a « substantial deviation » of the Mark as a registered. Particularly, it is submitted that the Mark is no longer recognizable and that the logo can be considered as a separate composite mark. As per the Requesting Party, the differences are so significant in the appearance and idea suggested that it is reasonable to infer that a consumer, upon first impression, would perceive the trademarks as distinct.

[22] The Owner submits that the logo is a permissible variation of the Mark. The Owner also states that the Mark remains clearly identifiable in spite of all the elements added. Concerning the subtraction of the “S” from the word TOY, the Owner submits that this change does not render the Mark unrecognizable.

[23] The Supreme Court has established that the registration of a word mark grants the owner the right to use the words that constitute the mark in any size and with any style of lettering, colour or design (*Masterpiece v Alavida Lifestyles Inc*, 2011 SCC 27 (CanLII), [2011] 2 SCR 387 (*Masterpiece*), at paras 55-57).

[24] 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), "*Honeywell*"]. 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.

[25] In the present case, comparing the Mark as registered to the logo, the Mark did not lose its identity and remains recognizable. The dominant features of the Mark namely, the words THINKING and TOYS, less the letter S can be easily found in the stylized logo.

The Use of the Mark by the Owner or by an authorized licensee

[26] The Requesting Party argues that the evidence does not show that the requisite control was exercised in accordance to the Act. Additionally, it points out that the relationship with Disney was not established by the Owner.

[27] Section 50(1) of the Act requires the owner of a trademark to control, either directly or indirectly, the character or quality of the goods or services sold under that trademark.

[28] As stated by the Federal Court, there are three main methods by which a trademark 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 the licence

agreement that provides for the requisite control [*Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102 at para 84].

[29] In this case, Mrs. Fung clearly affirms that the Owner oversees the character and quality of the toys bearing the Mark in Canada. Furthermore, the affiant explains the extent of the license granted by the Owner. She also explains that Thinkway Toys, Thinking Technology Inc., and Super Technology Limited are all owned by Mr. Albert Chan, its sole officer and shareholder. Mrs. Fung provides examples of the way Mr. Chan exerted control during the process of design, development and production of the goods imported and sold into Canada during the Relevant Period.

[30] Considering the clear statements concerning the requisite control over the character or quality of the products and considering that Mr. Chan is the owner of both the licensor and the licensee, I accept that any evidenced use of the Mark in association with the goods enures to the Owner's benefit. On this latter point, it is well established that an inference may be drawn that there is control when an individual is a director or an officer of both the registered owner and the alleged licensee [see *Petro-Canada v 2946661 Canada Inc* (1998), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)*, [1999] FCJ No 682 (FCA)].

[31] Finally, as the Mark to consider in this proceeding is THINKING TOYS and as its Owner has demonstrated having exerted the requisite control, I do not consider that the relationship between the Owner and Disney is relevant or necessary to consider. Moreover, the law is clear that there is nothing to prevent two or more trade-marks being used at the same time. [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD)].

The Use of the Mark by the Owner in the normal course of trade

[32] The Requesting Party submits that evidence is silent with respect to the Owner's normal course of trade and that the Registrar is not expected to make any assumptions.

[33] While I agree with the Requesting Party that Mrs. Fung omitted to expressly refer to the Owner's normal course of trade in her affidavit, the evidence must be considered as a whole.

[34] In this case, the Owner provided several invoices issued by the licensee to two companies based in Canada (Exhibit C). As such, the sales appears to follow the pattern of a genuine commercial transaction in the ordinary course of the Owner's business. Furthermore, the affiant provides information related to the nature or extent of the Owner's trade when referring to each affiliates' activities (Fung affidavit, at paras 2 to 4).

[35] For these reasons, I consider there is enough evidence showing that the products bearing the Mark were distributed in Canada in the normal course of trade of the Owner during the Relevant Period.

The Use of the Mark in association with each of the registered goods

[36] The Requesting Party submits that the Affidavit does not show use of the Mark for each of the Goods, nor has the Owner's evidence set out circumstances excusing non-use. Specifically, the Requesting Party alleges that there is no evidence of use of the Mark in association with "electronic talking or sound making dolls" and with "playsets" during the Relevant Period.

[37] To illustrate the lack of evidence, the Requesting Party submits that Exhibit "B" (Tab 1) contains photographs of a robot toy, which is not a human figure and cannot be considered a doll. It is also submitted that Exhibit B (Tabs 2 and 3) contains photographs of fish toys which are animals and not human figures. Finally, the Requesting Party draws attention to the fact that Exhibit B (Tab 2, pages 2 and 3) consists of photographs of individual toys, not playsets.

[38] In support of its allegations, the Requesting Party provides definitions of the term "doll" from the Oxford Dictionary and of the term "Playset" from Wikipedia. It relies on case law establishing that evidence of use for each product must be provided [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.*, (1980) 34 N.R. 39 (FCA) ("*Plough*")].

[39] The Owner states that Ms. Fung's Affidavit clearly demonstrates how the Mark is used in association with each of the goods covered by the registration. Based on same relevant case law (*Plough*), it submits that a generous interpretation of the statement of goods must apply in this case.

[40] It has been held that a statement of goods should be granted a reasonable interpretation. However, as the Owner expressly specified the goods in its registration, the implication is that one good is somewhat different from the others and, therefore, use must be shown with respect to each good [*John Labatt Ltd v Rainer Brewing Co et al* (1984), 80 CPR (2d) 228 (FCA)].

Dolls

[41] The Registrar may take notice of dictionary definitions and consult others than those provided by the parties [see *Gervais v CIBC Mellon Global Securities Services Co* (2004), 34 CPR (4th) 571 (TMOB) at para 7 and *Tradall SA v Devil's Martini Inc*, 2011 TMOB 645, re: the Registrar's discretion to take judicial notice of dictionary definitions].

[42] I retain the doll's definition provided from Oxford Dictionary as follows:

"A small model of a human figure, typically one of a baby or girl, used as a child's toy."

[43] Based on this definition, the toy robot can not be considered as a doll. Furthermore, in my view, none of the toys showed on Exhibit B (TAB 2 page 2 and 3) can be considered as dolls following the definition provided above.

[44] Although evidentiary overkill is not required in response to a Section 45 proceeding, sufficient facts must be provided to permit the Registrar to arrive at a clear conclusion of use. I find the evidence insufficient to permit me to conclude that the use has been established in association with "electronic talking or sound making dolls" during the Relevant Period. Furthermore, as the evidence is silent concerning any circumstances excusing non-use, the registration will be modified accordingly.

Figures, animals and characters

[45] As concluded above, I do not consider the robot toy to be neither a baby used as a child's toy, nor do I consider it as a human figure. Nevertheless, in the context of the entire statement of goods and in view of Exhibit B, it is reasonable to conclude that the robot toy is a character.

[46] With regard to the fish toys, while I agree with the Requesting Party that they are not human figures, in my view, they are toy animals.

[47] Finally, concerning the other toys showed in Exhibit B (Tab 2, pages 2 and 3), I am of the view that they are figures.

[48] Given the statements made by Ms. Fung and given Exhibits B and C, I am satisfied that the Owner has demonstrated use of the Mark in association with “Toys namely electronic talking or sound making figures, animals and characters” within the meaning of sections 4 and 45 of the Act.

Playsets

[49] I refer to the online edition of the Oxford Dictionary which provides the following definition of Playset:

“A number of related or similar toys sold as a collection or compendium.”

[50] The Owner submits that Fung affidavit refers to a number of invoices identifying the toys listed as forming part of the “DISNEY PIXAR COLLECTION” and that such a themed collection would fall under the definition of “playset”. The Owner also states that some toys are from the same movie (e.g.: Nemo and Dory). As per the Owner, the toys are part of the same collection and as such are intended to play together in spite of being sold separately.

[51] The photograph of the back of one packaging (Exhibit B, Tab 2, page 2) shows several toys. I note that on the upper left side of the packaging, the inscription “COLLECT ’EM ALL/COLLECTIONNEZ-LES TOUS” is encircled as follows:



[52] I agree with the Owner that Exhibit B, Tab 2, page 2 shows a toy collection. Moreover, all the toys are identified as part of such collection on the invoices. In my view, such a themed collection falls under the definition of “playset” provided by the Oxford Dictionary indicated above.

[53] Finally, I do not consider whether some toys are from the same movie or that they are intended to be played together or not is relevant or necessary to consider.

[54] The affiant refers to the above exhibits to demonstrate use of the Mark in association with each of the Goods, including playsets, during the Relevant Period. In view of the foregoing, I am satisfied that the Owner has also shown use of the Mark in association with playsets within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[55] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be amended to delete “dolls” in compliance with the provisions of section 45 of the Act.

[56] The amended statement of goods will read as follow:

“Toys namely electronic talking or sound making figures, animals, characters and playsets.”

Jean Carrière
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2021-10-26

APPEARANCES

Matthew Boyd For the Registered Owner

Paul Lomic For the Requesting Party

AGENTS OF RECORD

Borden Ladner Gervais LLP For the Registered Owner

Lomic Law For the Requesting Party