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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 109

Date of Decision: 2022-05-31

IN THE MATTER OF A SECTION 45 PROCEEDING

Miller Thomson LLP

Requesting Party

and

Small Town Brewery, LLC

Registered Owner

**TMA975,204 for SMALL TOWN
BREWERY**

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. TMA975,204 for the trademark SMALL TOWN BREWERY (the Mark).

[2] For the reasons that follow, I conclude that the registration ought to be expunged.

PROCEEDING

[3] At the request of Miller Thomson LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on July 20, 2020, to Small Town Brewery, LLC (the Owner), the registered owner of the Mark.

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

(1) Beers; brewed malt based beers; flavored beers.

(2) Flavored alcoholic brewery beverages, namely beer, ale, and lager; alcoholic brewery beverages, namely beer, ale, and lager; distilled spirits, namely vodka, gin, rum, whiskey, brandy, hard cider, schnapps, Tequila, and liqueur.

[5] The notice required the Owner to show whether the trademark has been used in Canada, in association with each of the registered goods, 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 July 20, 2017, to July 20, 2020.

[6] 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.

[7] 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 evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448] and “evidentiary overkill” is not required [see *Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD)]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the mark was used in association with the registered goods.

[8] In the absence of use, pursuant to section 45(3) of the Act, a trademark is liable to be expunged, unless the absence of use is due to special circumstances that excuse the absence of use.

[9] In response to the Registrar’s notice, the Owner furnished the affidavit of Justin Burden, sworn on October 16, 2020, with Exhibits A to D.

[10] Both parties submitted written representations, no hearing was requested.

EVIDENCE

[11] Mr. Burden is the Associate General Counsel of the Owner.

[12] Mr. Burden explains that the Owner's products are produced and packed under licence by Pabst Brewing Company, LLC operating under the assumed name Pabst Brewing Company, an exclusive licensee [the Licensee]. He adds that the Licensee handles the export of products to Canada, and that during the relevant period, the goods were imported by Carlsberg Canada Inc. [Carlsberg]. These products are then sold to provincially licensed agencies, such as the Liquor Control Board of Ontario, and subsequently sold to consumers through retail stores, bars and restaurants. Attached as Exhibit A are copies of invoices, issued by the Licensee to Carlsberg. The goods listed on these invoices are referred as *NYF ROOT BEER*, and Mr. Burden confirms that these products are labelled and packaged bearing the Mark.

[13] Mr. Burden states that the sales of goods referred in the Exhibit A invoices in Canada during the relevant period were in excess of USD \$10,000, representing more than 390 kegs and 2000 cases.

[14] Mr. Burden confirms that the products listed in the Exhibit A invoices are sold in packaging bearing the Mark. Attached as Exhibit B are copies of proof sheets of bilingual labels. He adds that these proof sheets are representative of the manner the Mark appeared on the labels and packaging of the products destined for sale in Canada during the relevant period. I note that these proof sheets indicate: "BREWED AND BOTTLED BY [...] SMALL TOWN BREWERY, LA CROSSE, WI U.S.A." Attached as Exhibit C is an image of the goods packaged in a shipping box bearing the Mark. Mr. Burden confirms that this image is representative of the manner the Mark appeared on the shipping box during the relevant period in Canada.

ANALYSIS AND REASONS FOR DECISION

[15] The Requesting Party raises the following issues:

- The evidence fails to demonstrate a license or the requisite control by the Owner over the use of the Mark;

- There is no reference to the Owner nor the Mark on any of the invoices filed in Exhibit A;
- None of the product images depict the Mark on products or on packaging, with the exception the Exhibit C shipping box, however, it would not be visible to the end-consumer when purchasing the product;
- Exhibit B proof sheets for product labels are dated outside the relevant period;
- The evidence refers to only one product, namely *NYF ROOT BEER*, an *Alcoholic Malt Beverage*, which is not a registered good.

[16] The Requesting Party submits that the Owner failed to demonstrate the requisite control regarding the products described in the affidavit, manufactured by the Licensee.

[17] The Owner submits that “there was no need to submit evidence to show that *Pabst Brewing Company, LLC* is a licensee of the Registered Owner or to file a licence agreement as evidence demonstrating the Registered Owner’s direct or indirect control of the character or quality of the Goods sold in association with the Trademark”.

[18] In this respect, pursuant to section 50(1) of the Act, for the Licensee’s evidenced use of the Mark to enure to the Owner’s benefit, the Owner must have maintained direct or indirect control of the character or quality of the subject goods.

[19] As stated by the Federal Court, there are three main methods by which a trademark owner can demonstrate the requisite control: 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].

[20] In the present case, the Owner did not file a licence agreement and Mr. Burden did not share any details regarding the control of the character or quality of the products manufactured by the Licensee nor did he share any evidence allowing me to infer such control.

[21] Moreover, according to the proof sheets [Exhibit B], contrary to Mr. Burden's statement, the products are brewed and bottled by a another entity, Small Town Brewery.

[22] Therefore, any evidence of use by the Licensee cannot enure to the Owner.

[23] Given the lack of evidence demonstrating the requisite control exerted by the Owner and given the inconsistencies between the statements contained in the affidavit and the Exhibits filed, I am not satisfied that the Owner has shown use of the Mark in association with the registered goods within the meaning of section 4(1) of the Act. As there is no evidence of special circumstances in this case, the registration will be expunged.

DISPOSITION

[24] 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 will be expunged.

Ann-Laure Brouillette
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: No hearing held

AGENTS OF RECORD

Milton IP/P.I.

For the Registered Owner

Miller Thomson LLP

For the Requesting Party