



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2022 TMOB 201

**Date of Decision:** 2022-10-21

## **IN THE MATTER OF SECTION 45 PROCEEDING**

**Requesting Party:** Pallett Valo LLP

**Registered Owner:** Credit Safe Inc.

**Registration:** TMA950,027 for CREDITSAFE

### **INTRODUCTION**

[1] This is a decision involving summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA950,027.

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

[3] The statement of services is reproduced below:

- (1) Business information services in the field of credit
- (2) Business appraisals
- (3) Advertising the wares and services of others

## **THE PROCEEDING**

[4] At the request of Pallett Valo LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on February 10, 2020, to Credit Safe Inc. (the Owner), the registered owner of the trademark CREDITSAFE (the Mark).

[5] The notice required the Owner to show whether the Mark was used in Canada in association with each of the services 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 February 10, 2017 to February 10, 2020.

[6] The relevant definition of “use” in the present case is set out in section 4 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.

[7] It is well established that that bare assertions of 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 services specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[8] On February 1, 2021, the Owner furnished an affidavit of David Michaels, President of the Owner, sworn February 1, 2021, and what appears to be an unsworn copy of the same affidavit. I note that the sworn affidavit appears to be missing six pages, comprising paragraphs 15 to 38, which appear in the unsworn copy of the

affidavit. In a correspondence with the board dated March 8, 2021, Mr. Michaels explained that the affidavits had been filed in this manner due to technical difficulties, and requested a retroactive extension of time to file a complete copy of the sworn affidavit. As the request was not accompanied by the prescribed fee and came after the proceeding had advanced into the written representations stage, the request was refused and the Registrar confirmed that the record in this proceeding consists of the sworn copy of the affidavit of David Michaels that was filed by the Owner on February 1, 2021.

[9] I note that the Owner's written and oral representations include submissions relying on paragraphs 15 through 38 of the unsworn affidavit, none of which are in evidence. I am therefore disregarding any facts not in evidence, and I have considered only submissions relating to the affidavit which is of record [see *Ridout & Maybee LLP v Encore Marketing International Inc* (2009), 72 CPR (4th) 204 (TMOB) for the general principle that facts not in evidence must be disregarded].

[10] Both parties submitted written representations. Only the Owner was represented at the hearing.

### **EVIDENCE SUMMARY**

[11] Mr. Michaels states that he "registered the creditsafe.ca domain name on March 25, 2010, in [his] name" and that the Owner "uses" the website appearing at that domain name (the CREDITSAFE website) with his consent [paras 4 and 5].

[12] Mr. Michaels also states that he "started building a new CREDITSAFE website in October of 2019. While this website is active, no services were fully configured by the end of the relevant period. The new website is close to being completed" [para 39].

[13] Mr. Michaels attests that the Owner "invoiced for the services performed by others and the CREDITSAFE trademark appeared on the invoices issued during and between the performance of those services" [para 7]. In support, he attaches copies of eight invoices bearing the Mark that were issued by the Owner to customers in Canada during the relevant period [Exhibit 1].

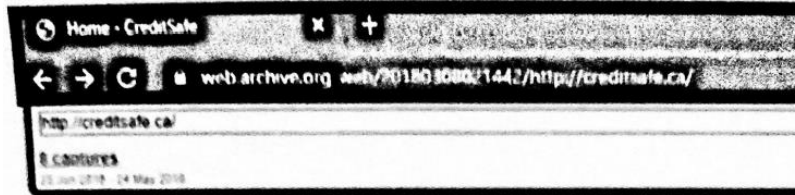
[14] Mr. Michaels does not correlate any of the invoiced items shown in the Exhibit 1 invoices to registered services. I note that the invoices list professional services and disbursements relating to corporate address amendments and the prosecution of trademark applications and registrations as well as other items listed as “Good client credit”. For illustrative purposes, below are some of the items that appear in the body of the exhibited invoices:

- “Amended addresses for BIO HEALING THERAPY INDUSTRIES INC. and its director”,
- “re CURLOOK trademark in USPTO extension request”,
- “CIPO trademark application number 1971106 for the BIO-HEALING THERAPY Logo”,
- “CIPO filing fee”,
- “Submitted registration fee payment for CIPO application 1836291 for CURLOOK”,
- “Prepared and Filed Requisition for Assessment re MacLaren Corlett’s Invoice on Oct 15, 2019 at 393 University Ave”,
- “Green P parking fee on Oct 15, 2019”,
- “MAG Toronto Civil Court fee”,
- “Registered Mail Postage”, and
- “Good client credit”.

[15] Michaels explains that “While [he] personally performed those services, [he] did them in [his] personal capacity, and [he] wasn’t compensated for those services as an employee, officer, or shareholder of [the Owner]” [para 11]. He further explains that, in 2019, the Owner’s sales exceeded \$4,300 for the invoiced services, and that “some” of those services related to business information services in the field of credit [paras 12 and 13].

[16] Exhibit 2 to the Michaels Affidavit appears to be a screen capture showing a webpage located at *creditsafe.ca* as archived on March 8, 2018 by the Internet Archive

at *www.archive.org*. This exhibit is nowhere referenced in the Michaels Affidavit. I note that the Mark is displayed on the exhibited screen capture as part of the domain name *creditsafe.ca* as well as in the title tag for this webpage, namely “Home - CreditSafe”, as shown in the excerpt reproduced below:



[17] Exhibit 3 to the Michaels Affidavit appears to be a copy of a brief email exchange from October 2018 between Mr. Michaels and what appears to be the technical support department for “A2 Hosting”, indicating that A2 Hosting Support had “discovered that the site *techentrepreneurs.ca* is infected”. Again, this exhibit is nowhere referenced in the Michaels Affidavit.

[18] Finally, Mr. Michaels states that, after the relevant period, the Owner provided business information services in the field of credit “in the form of PPSA searches sent to a client on August 5, 2020” [para 40]. In support, he attaches a copy of an email dated August 5, 2020 purportedly attaching two “PPSA search” documents [Exhibit 4]. The Mark is displayed in the signature of the exhibited email, along with the Owner’s name and contact information.

### **ANALYSIS AND REASONS FOR DECISION**

[19] In its representations, the Requesting Party submits that the Owner fails to establish use of the Mark in association with the registered services, and that it has not established special circumstances excusing non-use of the Mark.

## ***No Use is Shown for any of the Registered Services***

### Business information services in the field of credit

[20] At the hearing, the Owner submitted that the Exhibit 1 invoices and the Exhibit 2 screen capture evidence use of the Mark in association with “business information services in the field of credit”.

[21] However, none of the invoiced services clearly correspond to “business information in the field of credit”. I note that Mr. Michaels refers to an invoice issued for the services of “assisting a client assess a law firm’s invoices [...] which the client believed was excessive and unjustified”; however, Mr. Michaels does not explain how this service amounts to “business information in the field of credit”, and it is not for the Registrar to speculate as to the nature of the registered goods [*Fraser Milner Casgrain LLP v Fabric Life Ltd*, 2014 TMOB 135 at para 13; *Wrangler Apparel Corp v Pacific Rim Sportswear Co* (2000), 10 CPR (4th) 568 at para 12 (TMOB)] I also note that while Mr. Michaels refers to “PPSA searches” as an instance of the registered services being performed, in the absence of further details, I am not satisfied that “PPSA searches” would amount to “business information in the field of credit.”

[22] Although the Owner pointed to an item listed in the invoices as “Good client credit”, I note that each of those entries displays a negative value reducing the total amount owed. Accordingly, it appears that the invoiced items identified as “Good client credit” relate to discounts being credited to “good” clients, rather than to services performed and invoiced.

[23] As for the screen capture attached as Exhibit 2, I note that, in its written representations, the Owner identifies this screen capture as evidence of “an offering of ‘Business Credit Reports’ ” on the Owner’s website and submits that the Mark was “prominently visible” on the website in March 2018.

[24] While business credit reports correspond to the registered services “Business information services in the field of credit”, it is not clear that the archived copy of the webpage attached as Exhibit 2 is actually representative of how the Mark was shown to

prospective customers during the relevant period. Without any further evidence, I am not prepared to make any inferences in this regard.

[25] Furthermore, I note that the Owner's submission regarding the "prominently visible" Mark on the exhibited website is relied on paragraph of the unsworn affidavit, which is not of record in this proceeding.

[26] In any event, there is insufficient evidence for me to conclude that the webpage was ever accessed by Canadians during the relevant period [see, for example, *Shift Law v Jefferies Group, Inc*, 2014 TMOB 277 at para 20; *Ridout & Maybee v Residential Income Fund LP*, 2015 TMOB 185 at paras 47-48] or that the Owner was willing and able to perform the services in Canada during the relevant period [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[27] Other than his assertion at paragraphs 12 and 13 of his affidavit that the Owner's sales exceeded \$4,300 for the invoiced services and that some of those invoiced services related to business information services in the field of credit, Mr. Michaels is silent on whether the Owner actually offered or performed "Business information services in the field of credit" or any of the registered services.

[28] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services "Business information services in the field of credit" within the meaning of sections 4(2) and 45 of the Act.

#### Business appraisals

[29] Turning to the registered services "Business appraisals", the Owner submitted at the hearing that business appraisals are connected to brand valuation and prosecution of intellectual property related matters, as such, that the invoiced items relating to trademark services demonstrate use of the Mark in association with "Business appraisals".

[30] However, as noted above, the invoiced items appear to largely comprise corporate address amendments and the prosecution of trademark applications and

registrations. I see nothing in the invoiced items to suggest that “business appraisals” services were provided by the Owner. As such, any connection of any of the invoiced items to business appraisals services is not clear from the evidence.

[31] Accordingly, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services “Business appraisals” within the meaning of sections 4(2) and 45 of the Act.

#### Advertising the wares and services of others

[32] With respect to “Advertising the wares and services of others”, the Owner submitted at the hearing that it used the Mark in association with these services during the relevant period but was unable to provide any evidence of such use due to a malware attack its website experienced in October 2018.

[33] Consequently, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services “Advertising the wares and services of others” within the meaning of sections 4(2) and 45 of the Act.

#### ***No Special Circumstances Excusing Non-Use***

[34] 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.

[35] Although not specifically argued by the Owner, I will briefly address the question of whether the malware attack on the Owner’s website in October 2018 constitutes special circumstances excusing the absence of use in this case.

[36] To determine whether special circumstances have been demonstrated, the Registrar must first determine, in light of the evidence, why in fact the trademark was not used during the relevant period. Second, the Registrar must determine whether these reasons for non-use constitute special circumstances [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. The Federal Court has held that special circumstances mean circumstances or reasons that are “unusual, uncommon, or



exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)].

[37] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such circumstances *excuse* the period of non-use. This involves the consideration of three criteria: (i) the length of time during which the trademark has not been in use; (ii) whether the reasons for non-use were beyond the control of the registered owner; and (iii) whether there exists a serious intention to shortly resume use [*Harris Knitting Mills, supra*].

[38] In my view, the test fails at the first step because there is no evidence from which to conclude that the absence of use was caused by the malware attack. Nevertheless, even if I were to conclude that it was, the evidence before me would be insufficient to find that malware attacks, such as the one which targeted the Owner’s website, are anything other than a common occurrence. In any event, if, as submitted by the Owner, the malware attack occurred in October 2018, the attack on its own could not constitute special circumstances as it only applies to a portion of the relevant period. Special circumstances must apply to the entire relevant period [see, for example, *Norton Rose Fulbright Canada LLP v Solomon Kennedy trading as Luv Life Productions*, 2019 TMOB 22 at para 35; *Supreme Brands LLC v Joy Group OY*, 2019 TMOB 45 at para 31].

[39] I am therefore not satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark within the meaning of section 45(3) of the Act.

### **DISPOSITION**

[40] 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.

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Yves Cozien Papa Tchoufou  
Hearing Officer  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** 2022-08-25

## **APPEARANCES**

**For the Requesting Party:** No one appearing

**For the Registered Owner:** David Michaels

## **AGENTS OF RECORD**

**For the Requesting Party:** Pallett Valo LLP

**For the Registered Owner:** No Agent Appointed