



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 219

Date of Decision: 2022-10-28

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Borden Ladner Gervais LLP

Registered Owner: Paddle.com Market Limited

Registration: TMA929,915 for PADDLE

INTRODUCTION

[1] This decision involves a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA929,915, for the trademark PADDLE (the Mark).

[2] The statement of goods and services is reproduced below:

Goods

(1) Computer software for processing electronic payments and transferring funds to and from others; authentication software that may be downloaded from a global computer network and recorded on computer media; authentication software.

Services

(1) Financial services, namely, enabling transfer of funds and purchase of products and services offered by others, all via electronic communication networks; providing financial services, namely, electronic funds transfer and electronic bill payment services via a global computer network; financial clearinghouse services via electronic communication networks; foreign exchange; electronic funds transfer; insurance; providing temporary use of on-line non-downloadable software for processing electronic payments; providing temporary use of on-line non-downloadable authentication software for controlling access to and communications with computers and computer networks; design and development of computer software and application programming interfaces (API); providing information in the field of computer software and computer software design and development; technical support services for computer software and electronic payment systems.

[3] For the reasons that follow, I conclude that the registration ought to be amended.

PROCEEDING

[4] At the request of Borden Ladner Gervais LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on June 13, 2019, to Paddle.com Market Limited (the Owner), the registered owner of the Mark.

[5] The notice required the Owner to show whether the Mark was 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 the Mark was last in use and the reason for the absence of such use since that date. The relevant period for showing use is June 13, 2016, to June 13, 2019.

[6] The relevant definition of use in this case is set out in section 4 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.

(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] In response to the Registrar's notice, the Owner furnished the affidavit of Hugo Grimston, sworn on January 13, 2020, with Exhibits 1 to 17.

[8] Only the Requesting Party submitted written representations. Only the Owner was represented at a hearing.

EVIDENCE

[9] Hugo Grimston is the Chief Financial Officer of the Owner since 2014.

[10] Mr. Grimston describes the Owner as a “Merchant of Record Company” and he defines it as an entity “authorized and held liable by financial institutions to process end customer transaction”. He explains that the Owner’s responsibilities include taking payments, honouring refunds and chargeback, PCI (Payment Card Industry) compliance, tax compliance, and handling customers services and inquiries.

[11] According to Mr. Grimston, the Owner offers an “all-in-one” package through a Software as a Service [SaaS] commerce platform. This package can be integrated with a software developer’s website, which facilitates the sale to end consumers of its own products.

[12] Mr. Grimston describes the normal course of trade as follows, where a Seller is a customer of the Owner, generally a software developer company:

1. A Seller licenses its software to the Owner to be the Merchant of Record;
2. The Owner sells the software to an end consumer through the Seller’s website;
3. The Owner delivers the software and is responsible for the after-sale technical care;
4. The Owner sends a reverse invoice to the Seller, minus the Owner’s fees, and pay the Seller once a month.

[13] According to Mr. Grimston, the Owner “does not provide Sellers with itemized invoices that list the different goods and services provided by the all-inclusive package as the all-inclusive package is billed as a single offering”. However, Mr. Grimston states that this all-inclusive platform includes the goods and services listed in the registration.

[14] As Exhibit 1, the Owner filed different screenshots of “a Seller using [the Owner’s] SaaS Commerce platform”. Mr. Grimston states that “the platform highlights the goods and services provided to the Seller in [the Owner’s] all-inclusive package under the [Mark]” and that the Exhibit 1 screenshots are representative of the platform accessed by sellers in Canada during the relevant period. These screenshots include different reports, such as transactions and overview, and tools shown to the sellers, such as authentication, checkout, invoicing, refunds, fees, conversion options, and API references. The Mark appears on most of these screenshots.

[15] As Exhibit 2, the Owner filed different screenshots of an end consumer buying software from a seller, using the Owner’s commerce platform. Mr. Grimston states that these screenshots are representative of the platform accessed by end consumers in Canada during the relevant period. These screenshots include checkout screens with payment options, proof of purchase, email receipt, and activation email. The Mark appears on all, except for the activation email screenshot.

[16] As Exhibit 3, the Owner filed “a sample of a payment checkout screen and a confirmation order addressed to [end consumers] in Canada”. The Mark appears on all pages and at the bottom of the first page, there is a reference to the Owner being the online reseller and Merchant of Record.

[17] As Exhibit 5, the Owner filed a screenshot of “an advertising e-mail sent to a [end consumers] on “Black Friday” and a corresponding order confirmation receipt from a [end consumers] in Canada”. The e-mail references the date of November 24-27 which corresponds to the order confirmation dated November 26, 2017.

[18] As Exhibit 6, the Owner filed multiple screenshots from its website. These screenshots were taken from the Internet Archive system WayBack Machine. I note that only the last two pages are relevant as the others are from outside the relevant period. These screenshots refer to different goods and services provided by the Owner, such as taking payments, in-app purchases, promotions, insight and more.

[19] As Exhibit 11, the Owner filed a table of new customers (Sellers) accounts based in Canada and the associated sales figures for the period of 2014 to 2019. According to Mr. Grimston and this table, the total sale values in Canada is almost two million Canadian dollars for the year 2017 and the same for following year.

[20] As Exhibit 15, the Owner filed representative invoices issued by the Owner to different Sellers in Canada. These invoices are dated within the relevant period.

ANALYSIS AND REASONS FOR DECISION

[21] The Requesting Party submits that the Owner failed to demonstrate use of the registered goods. More particularly, it suggests that the software described in the Grimston affidavit is not transferred to Sellers because the services are provided through a SaaS commerce platform. The Requesting Party adds that there is no evidence that any software is downloadable in nature.

[22] The Requesting Party further submits that the only evidence regarding the services "design and development of computer software and application programming interfaces (API)" is located in Exhibit 6 screenshot of the Owner's website, that is dated outside the relevant period, and therefore, is not relevant

[23] Finally, the Requesting Party submits that there is no evidence of use of the Mark in association with "insurance".

[24] The Owner submits that the form of transfer may vary and while some software can be downloaded, other forms of transfer such as data exchange between servers and websites can also take place. The Owner further submits that the platform was integrated in the Seller's website and data was extracted from this platform.

[25] The Owner adds that the evidence demonstrates use of all the registered goods and services.

[26] As discussed by the Federal Court in *Specialty Software Inc v Bewatec Kommunikationstechnik GMBH* (2016 FC 223), data or software available only through an Internet browser can meet the requirement of showing a transfer in accordance with

section 4(1) of the Act, despite no software actually being installed *per se* on a customer's computer.

[27] Given Mr. Grimston explanation of the Owner's goods and services, I consider the commerce platform could fall within the scope of goods, where a Seller purchase an access to the commerce platform, which is integrated directly on its website, even if the Seller does not download it on their computer. Then, the Owner will offer different services through that platform. In the present case, these goods and services are described as an all-in-one package, but in other cases, a Seller could purchase the access to the platform and then one or multiple services.

[28] In his affidavit, Mr. Grimston refers to an all-in-one package that covers all the registered goods and services. However he does not correlate the information contained in the Exhibits with the goods and services listed in the registration.

[29] It is not for the Registrar to speculate as to the nature of the registered goods and services [*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)]. However, reasonable inferences can be made from the evidence provided [see *Eclipse International Fashions Canada Inc v Shapiro Cohen* (2005), 48 CPR (4th) 223 (FCA)]. In making correlations between the evidence and the registered goods and services, I am mindful of the principle that when interpreting a statement of goods in a section 45 proceeding, one is not to be "astutely meticulous when dealing with [the] language used" [see *Aird & Berliss LLP v Levi Strauss & Co*, 2006 FC 654 at para 17].

[30] Given Mr. Grimston's statements and the goods described in the Exhibit 1 and 2 screenshots of the commerce platform, and the last two pages of Exhibit 6 screenshots of the Owner's website, I am prepared to accept that the Owner demonstrated that it had sold in Canada, during the relevant period the following goods: "Computer software for processing electronic payments and transferring funds to and from others; authentication software". As for "authentication software that may be downloaded from a global computer network and recorded on computer media", the only evidence is shown on the fourth page of Exhibit 6, which is a screenshot of the Owner's website. However,

given that this screenshot is dated outside the relevant period, I cannot consider it. Therefore, this good will be expunged as there is no evidence demonstrating special circumstances excusing non-use.

[31] Given Mr. Grimston's statements and the services described in the Exhibit 1 and 2 screenshots of the commerce platform, the Exhibit 5 emails and order confirmation, and the last two pages of Exhibit 6 screenshots of the Owner's website, I am prepared to accept that the Owner demonstrated that it had offered in Canada, during the relevant period the following services: "Financial services, namely, enabling transfer of funds and purchase of products and services offered by others, all via electronic communication networks; providing financial services, namely, electronic funds transfer and electronic bill payment services via a global computer network; financial clearinghouse services via electronic communication networks; foreign exchange; electronic funds transfer; providing temporary use of on-line non-downloadable software for processing electronic payments; providing temporary use of on-line non-downloadable authentication software for controlling access to and communications with computers and computer networks; design and development of computer software and application programming interfaces (API); providing information in the field of computer software and computer software design and development; technical support services for computer software and electronic payment systems".

[32] Contrary to the Requesting Party argument that there is no evidence of the Owner's service "design and development of computer software and application programming interfaces (API)", the seventh page of Exhibit 1 screenshots of the commerce platform refers directly to API, as the screenshot indicates: "Paddle provides a suite of simple and flexible API endpoints to retrieve or update data (...)".

[33] Given that the Exhibit 1 screenshots of the commerce platform, the Exhibit 3 checkout screens, the Exhibit 5 advertisements, and the Exhibit 6 website screenshots, all bear the Mark, I accept that the notice of association between the Mark and the goods and services was given at the time of the transfer of the goods and while performing the services [for similar conclusions, see *Fasken Martineau DuMoulin LLP v*

Open Solutions DTS, Inc, 2013 TMOB 68]. Accordingly, I accept that the Owner used the Mark in Canada, during the relevant period, in association with the above-referenced goods and services within the meaning of sections 4 and 45 of the Act.

[34] As regards the remaining service "insurance", I find that there is no evidence of use of the Mark in association with this service, except a bare statement from Mr. Grimston. Further, there is no evidence demonstrating special circumstances excusing non-use. Thus, this service will be expunged.

DISPOSITION

[35] 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 amended to delete "authentication software that may be downloaded from a global computer network and recorded on computer media" from the registered goods and "insurance" from the registered services.

[36] The Mark will now be registered in association with the following goods and services:

Goods

(1) Computer software for processing electronic payments and transferring funds to and from others; authentication software.

Services

(1) Financial services, namely, enabling transfer of funds and purchase of products and services offered by others, all via electronic communication networks; providing financial services, namely, electronic funds transfer and electronic bill payment services via a global computer network; financial clearinghouse services via electronic communication networks; foreign exchange; electronic funds transfer; providing temporary use of on-line non-downloadable software for processing electronic payments; providing temporary use of on-line non-downloadable authentication software for controlling access to and communications with computers and computer networks; design and development of computer software and application programming interfaces (API); providing information in the field of computer software and computer software design and development; technical support services for computer software and electronic payment systems.

Ann-Laure Brouillette
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2022-07-19

APPEARANCES

For the Requesting Party: No one appearing

For the Registered Owner: Rebecca Silverheart

AGENTS OF RECORD

For the Requesting Party: Borden Ladner Gervais LLP

For the Registered Owner: Marks & Clerk