



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 116

Date of Decision: 2023-07-11

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Mitsubishi Chemical Advanced Materials Naamloze

Vennootschap

Registered Owner: Asahi Kasei Kabushiki Kaisha

Registration: TMA380551 for XYRON

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. TMA380551, for the trademark XYRON (the Mark), owned by Asahi Kasei Kabushiki Kaisha (the Owner).

[2] The Mark is registered for use in association with the goods “plastics and synthetic resins” (sometimes hereinafter referred to as the XYRON Products).

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

THE RECORD

[4] At the request of Mitsubishi Chemical Advanced Materials Naamloze Vennootschap (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the Act on December 22, 2021, to the Owner.

[5] The notice required the Owner to show whether the Mark was used in Canada in association with 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. Where the Owner has not shown use, the registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[6] In response to the Registrar's notice, the Owner submitted a declaration of its General Manager Sales and Marketing Department, Satoshi Inoue, solemnly affirmed on March 16, 2022 (the Inoue Declaration).

[7] Neither party filed written representations. Both parties were ably represented at an oral hearing.

ANALYSIS

[8] In this case, the relevant period for showing use is December 22, 2018 to December 22, 2021 (the Relevant Period).

[9] The relevant definition of "use" is set out in section 4(1) of the Act as follows:

A trademark is deemed to be used in association with Products if, at the time of the transfer of the property in or possession of the Products, in the normal course of trade, it is marked on the Products themselves or on the packages in which they are distributed or it is in any other manner so associated with the Products that notice of the association is then given to the person to whom the property or possession is transferred.

[10] 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), 1980 CanLII 2739 (FCA), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada*

Ltd v Lang Michener (1996), 1996 CanLII 17297 (FC), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 1982 CanLII 5195 (FC), 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 goods specified in the registration during the Relevant Period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

The Owner's evidence

[11] In his declaration, Mr. Inoue essentially attests to the following:

- the Owner is a Japanese corporation that does business in Canada under various trade styles, including Asahi, Asahi Kasei and Asahi Kasei Corporation [para 4];
- the Owner manufactures the XYRON Products and has control over the quality and characteristics of the XYRON Products. During the Relevant Period the XYRON Products that were sold in Canada were and are still manufactured by (i) the Owner and (ii) Asahi Kasei Plastics North America, a local manufacturer (hereinafter Asahi North America) who is a licensee of the Mark and manufactures the XYRON Products according to the Owner's specifications and standards. More particularly, the Owner and Asahi North America have signed a confidential sales and technology licensing contract for the XYRON Products in 2006, which is still in force and provisions on product manufacturing methods and quality control are part of the contract and are respected by Asahi North America [para 6];
- the XYRON Products are sold and have been sold during the Relevant Period by the Owner, Asahi North America and through other companies who act as distributors and who sell on the Canadian market to Canadian clients. For example, Avient Distribution is a US-based distributor with US, Canada, and Mexico as its main markets, and Avient Distribution also has a contact point in Canada. The Owner has delivered during the Relevant Period XYRON Products sold in Canada at the request of Avient Distribution to Avient Distribution's

warehouse in Canada who in turn sold the XYRON Products to the clients located in Canada [para 6];

- the Mark appears on each datasheet of the XYRON Products that have been provided to the Canadian clients during the Relevant Period in order to inform them about the properties of the XYRON Products when deliberating about the purchase, in order to assist them in determining their choices and ordering the XYRON Products [para 7];
- *the physical properties of engineering resin are essential*, therefore the technical sheets are *systematically* used by Canadian clients to confirm the physical characteristics based on the technical sheets, determine the grade to be used, and purchase the XYRON Products [my emphases]. The clients recognize and identify the Products as "XYRON" in the technical datasheets before purchasing [para 7];
- the Owner also produces and disseminates promotional material related to the XYRON Products in Canada [para 15];
- the approximate sales amount for the XYRON Products in Canada during the Relevant Period during the last five years are as follows. Since “plastic resins” and “synthetic resins” have the same meaning, the sales amount cannot be divided [para 21]:

| Year | Sales Amount XYRON Plastic resins and Synthetic resins in millions of tons for Canada under the Trademark XYRON |
|------|--|
| 2017 | 105 |
| 2018 | 111 |
| 2019 | 76 |
| 2020 | 121 |
| 2021 | 136 |

[12] In support of the above assertions, Mr. Inoue attaches to his declaration the following exhibits:

- Exhibit MT-1: “samples of datasheet of the XYRON Products”. Mr. Inoue specifies that these datasheets are representative of, or highly similar to, the

datasheets that have been used by clients in Canada in preparation for the orders made to purchase the XYRON Products during the Relevant Period. He further adds that these sheets are slightly amended and kept updated from time to time when changes occur in the information but the changes are usually minimal and the Mark always appears as shown in this exhibit [para 7].

Upon review of these datasheets, I note that the XYRON branded products featured therein are described by product codes (e.g. XYRON™540V, XYRON™G702V) and consist of polyphenylene ether (PPE) or modified PPE (m-PPE);

- Exhibits MT-2 to MT-5: sample invoices issued by Asahi North America during the Relevant Period, showing sales made “of the XYRON Products” to Canadian clients. Mr. Inoue explains that the following information usually appears on the invoices:
 - item AE or item mPPE: ex. G702V U9013, WG730 U7000, 540V BK, which Mr. Inoue specifies “all refer to the XYRON Products” [para 8];
 - the model and color numbers;
 - the package type, etc.

Mr. Inoue further explains that information about the identity of the clients (which corresponds to the portion “ship to party” in the invoices) and other information that would identify the clients and the price have been redacted in view of their confidentiality.

Upon review of these invoices, I note that some of the items sold are identified with the same product codes as those specified in the above-described exhibited datasheets (e.g. mPPE 540V or mPPE G702V). The Mark does not appear on the invoices. I further note that while most of the “bill to party” and “ship to party” information has been redacted, the Canadian city name and postal code of the

“ship to party” has not been redacted and that the “bill to party” and “ship to party” apparently differ in that they are identified by different numerical codes.

- Exhibit MT-6: an extract of the Owner’s website “showing the grade information concerning the XYRON Products”.

Upon review of this exhibit, I note that the XYRON branded products featured therein are identified by their product codes (e.g. XYRON™540V, XYRON™G702V,) and generally consist of “PPE” or “PPE + PS”;

- Exhibit MT-7: a label similar to the ones “sticked on the packaging when shipping the XYRON Products”.

I note that the Mark does not appear on the label. However, Mr. Inoue again specifies that the product code and model number displayed on such label relate to the XYRON Products [para 14];

- Exhibit MT-8: specimens of newsletter material “related to the XYRON Products”, which Mr. Inoue asserts have been distributed to Canadian residents during the Relevant Period.

Upon review of this exhibit, I note that it generally refers to XYRON branded m-PPE resin or alloys;

- Exhibits MT-9 to MT-14: various pages from the Owner’s former and current websites.

Upon review of these extracts, I note that they include the following descriptions (underlining mine):

- What is XYRON™?

XYRON™ is the brand name of Asahi Kasei’s modified polyphenylene ether (mPPE). The features of XYRON™ among general-purpose engineering plastics are shown below: [...] Using Asahi Kasei Proprietary technology, XYRON™ resins are manufactured in an integrated system from raw material sources.

- XYRON™ engineering resins are composed of alloys of polyphenylene ether (mPPE) with polyphenylene sulfide (PPS), polypropylene (PP), polyamide (PA), polystyrene (PS) or other polymeric materials. [...]
- What is Modified Polyphenylene Ether (mPPE)?

XYRON™ is an alloy compound of modified polyphenylene ether, or mPPE. As a thermoplastic material first created for use in the automotive industry, mPPE is incredibly tough, with good temperature resistance and moderate mechanical properties. [...]

The extracts further include examples of the numerous applications for which the XYRON branded engineering plastics/resins are suitable, such as an insulator between battery cells, lens barrels and lens spacers used in various cameras installed in cars, head-up display components installed in cars, internal parts of water mixing taps, printer mechanism parts, solar cell connector, covers for various communication antennas, case for relays, fuses, etc.

The Requesting Party's position

[13] At the hearing, the Requesting Party submitted two main arguments, namely that the Owner's evidence (i) does not refer to the registered goods *per se*, i.e. to the goods *as described* in the registration; and (ii) does not show use of the Mark as defined in section 4(1) of the Act. I will address each of these arguments in turn, in light of the submissions made by the Owner.

Reference to the goods as described in the registration

[14] The Requesting Party submits that nowhere in the evidence are the XYRON Products referred to as they are described in the registration, i.e. as "plastics and synthetic resins". Without going into the details of its submissions made in respect of each and every exhibit attached to the Inoue Declaration, suffice to say that the Requesting Party's main submissions are that the exhibited material generally merely describes the XYRON branded products as "m-PPE" and that Mr. Inoue does not correlate the exhibited XYRON branded-products with the registered goods.

[15] I respectfully disagree with the Requesting Party's position.

[16] First, as stressed by the Owner at the hearing, Mr. Inoue does expressly refer to the registered goods “plastics and synthetic resins” commercialized under the Mark at paragraph 5 of his declaration where he defines these goods as the “XYRON Products” for the purposes of his future reference to such goods in his declaration. Moreover, Mr. Inoue does expressly specify that all of the exhibited materials attached to his declaration relate to the XYRON Products.

[17] Second, as pointed out by the Owner at the hearing, two of the datasheets [Exhibit MT-1] relating to XYRON branded m-PPE are titled “Component – *Plastics*”, while the other three exhibited datasheets relating to XYRON branded PPE + PS display at their top right-hand corner the following reference: “[Inquiries] AsahiKasei *Engineering Plastics* Information Comprehensive Site.URL: [...]” [my emphases]. These references are in line with the website extract [Exhibit MT-6] “showing the grade information concerning the XYRON Products”, under the tab “Products” of such “Engineering Plastics Information Comprehensive Site”, as well as with the descriptions and general information about the XYRON branded PPE or m-PPE engineering plastics/resins provided in the other exhibited website extracts described above [in particular Exhibits MT-9 to MT-12].

[18] To sum up, I am satisfied that the nature of the XYRON branded PPE or m-PPE products referred to in the evidence corresponds to that of the goods as described in the registration.

Use of the Mark as defined in section 4(1) of the Act

[19] The Requesting Party submits that the evidence does not show use of the Mark as defined in section 4(1) of the Act because (i) there is no evidence that the exhibited datasheets displaying the Mark accompanied the XYRON Products at their time of transfer of property; (ii) the Mark is not displayed on the exhibited invoices; and (iii) the exhibited website extracts displaying the Mark essentially consist of promotional or advertising materials and do not establish use *per se* of the Mark.

[20] I respectfully disagree with the Requesting Party’s ultimate position that the evidence does not show use of the Mark as defined in section 4(1) of the Act.

[21] As stressed by the Owner at the hearing, and as set out by the Federal Court in the decision *Ecolab USA Inc v Smart & Biggar*, 2023 FC 101:

[18] The law is clear that in assessing whether use has been demonstrated, it is necessary to take into account the nature of the goods and the process by which sales occur in the normal course of trade in the context of the industry in which the Mark owner operates (*Institut National des Appellations d'Origine des Vins et Eaux-de-Vie v Registrar of Trademarks et al.*, [1983] FCJ No 1155 at paras 18-19). The fact that the customer comes to associate the Mark with the product by means of sales presentations, brochures, catalogues, or otherwise can demonstrate use, especially for products where affixing the Mark to the product at the time of sale is not feasible (*BMB Compuscience Canada Ltd v Bramalea Ltd*, [1988] FCJ No 962 at para 37-43; *Gowling, Strathy & Henderson v Degrémont Infilco Ltd*, 2000 CanLII 28561 (CA TMOB)).

[22] In the present case, and as stressed by the Owner at the hearing, Mr. Inoue expressly states in his declaration that:

[7]. [...] The physical properties of engineering resin are essential, therefore the technical sheets are systematically used by Canadian clients to confirm the physical characteristics based on the technical sheets, determine the grade to be used, and purchase the XYRON Products. [...]

[23] I agree with the Owner that Mr. Inoue makes it clear that the datasheets are crucial in the Owner's highly specialized industry for the clients to identify the XYRON Products at their time of purchase. As such, I agree with the Owner that a parallel can be made between the present case and the decision *Budget Blinds, LLC v Truth Hardware Corporation*, 2019 TMOB 116, in which the Registrar was satisfied that display of the owner's trademark on the datasheets from which the original equipment manufacturers and distributors ordered the owner's goods, combined with the fact the product codes in these datasheets correlated with the codes shown in the invoices, was sufficient to establish the requisite notice of association under section 4(1) of the Act.

[24] Indeed, I find the present case can be distinguished from the decision *Alora Imports Inc and Hubbell Lighting, Inc*, 2023 TMOB 53, cited by the Requesting Party in which the Registrar was not satisfied that display of the owner's trademark on the exhibited "specification sheets" was sufficient to establish the requisite notice of association. In that decision, the Registrar found that the "omission" of a statement by

the owner's affiant that the specification sheets were provided with the goods upon transfer to their buyer was "notable", since the affiant did specifically state that other types of documents were provided with the goods upon transfer. Again, in the present case Mr. Inoue expressly states that the exhibited representative examples of datasheets are systematically used by the clients to identify the products at their time of purchase and at least two of the product codes in these datasheets correlate with the codes shown in the exhibited invoices. It is well established that display of a trademark in catalogues and similar documents used for ordering purposes can provide the required notice of association [see, for example, *Dart Industries Inc v Baker & McKenzie LLP*, 2013 FC 97, 2013 CarswellNat 188].

[25] Addressing more particularly the Requesting Party's submission that it is not possible to assume that the invoices would be seen by the same entity as the "bill to party" and "ship to party" apparently differ, I first note that Mr. Inoue expressly states at paragraph 8 of his declaration that the identity of the clients "corresponds to the portion 'ship to party' in the invoice". Furthermore, for each of these Canadian clients, Mr. Inoue provides detailed information about the sales made of the XYRON Products and expressly correlates the items sold with the XYRON Products. As submitted by the Owner at the hearing, the invoices merely serve to show that sales of the XYRON Products referred to in the exhibited datasheets were actually made during the Relevant Period.

[26] In view of all the foregoing, and keeping in mind the purpose and the summary nature of a section 45 proceeding, I find reasonable to conclude that the Owner has shown use of the Mark within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[27] 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 maintained.

Annie Robitaille
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: May 11, 2023

APPEARANCES

For the Requesting Party: Stéphanie Karam

For the Registered Owner: James Duffy

AGENTS OF RECORD

For the Requesting Party: Robic

For the Registered Owner: Lavery, de Billy, LLP