



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 150

Date of Decision: 2023-08-24

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Gowling WLG (Canada) LLP

Registered Owner: JTH Tax LLC

Registration: TMA611,585 for Instant TAX Refund and design

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. TMA611,585 for the trademark Instant TAX Refund and design shown below (the Mark), owned by JTH Tax LLC.



[2] The Mark is registered in association with:

Retail tax return preparation services and tax discounting services, the foregoing being provided either by itself and/or through one or more franchised licensees.

[3] For the reasons that follow, I conclude that the registration ought to be amended to delete “tax discounting services” and maintained with the services “retail tax return preparation services, the foregoing being provided either by itself and/or through one or more franchised licensees”.

THE PROCEEDING

[4] At the request of Gowling WLG (Canada) LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on December 13, 2021, to JTH Tax LLC (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 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 December 13, 2018, to December 13, 2021 (Relevant Period).

[6] The relevant definition of “use” is set out in section 4 of the Act:

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] 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.

[8] 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; the Owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act. This burden of proof is light; evidence must only supply facts from which a conclusion of use may

follow as a logical inference [*Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184]. Moreover, evidence must be considered as a whole, and focusing on individual pieces of evidence in isolation is not the proper approach [see *Kvas Miller Everitt v Compute (Bridgend) Ltd* (2005), 47 CPR (4th) 209 (TMOB); and *Fraser Milner Casgrain LLP v Canadian Distribution Channel Inc* (2009), 78 CPR (4th) 278 (TMOB)].

[9] It is well established 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 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 be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the goods and services specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[10] In response to the Registrar's notice, the Owner furnished an affidavit of Rory Walters, the AVP of Finance of the Owner.

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

ANALYSIS AND REASONS FOR DECISION

Use of the Mark is Shown for Retail Tax Return Preparation Services

[12] Rory Walters' affidavit shows use of the Mark in association with retail tax return preparation services. The evidence is that:

- (a) The Mark was used by its licensee in Canada, subject to the Owner's care and control over the nature and quality of the services provided (para 16). Use by a licensee enures to an owner if they control the character or quality of the services [section 50(1) of the Act]. In this case, the clear attestations that a license exists and that control is exercised is sufficient to demonstrate compliance with section 50(1) of

the Act [*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102 at para 84, aff'd 2011 FCA 340].

- (b) Posters displaying the Mark are shown in photographs of exterior store locations (Exhibit D), which Rory Walters states are representative of how the Mark was used in Canada at the Owner's locations during the Relevant Period (para 18).
- (c) Invoices for "Tax Prep Receipt" were issued to Canadian consumers (Exhibit E) demonstrating that tax preparation services were performed in Canada during the Relevant Period. However, Rory Walters does not say that the services referenced in the invoice were advertised or performed in association with the Mark. Further, there is no evidence that the Mark appeared at the location on the date referenced in the invoices.

[13] The Requesting Party submits that the Owner has not provided factual details demonstrating how the photographs provided by Rory Walters are "representative", nor even the dates and locations of the photographs, and absent such facts, the photographs should not be considered representative of use of the Mark during the Relevant Period and are thus insufficient to meet the Owner's evidential burden.

[14] 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 from the time the Owner or a licensee performed or is willing and able to perform the services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[15] I consider that the Owner's evidence, when taken as a whole, is sufficient to meet its light evidential burden, even if it is not possible to determine the extent of display of the Mark given the lack of detail concerning how the use shown at Exhibit D is representative. Rory Walters has been employed by the Owner since 2000 and has detailed knowledge of the business (para 2). There is nothing in the evidence which causes me to doubt the sworn statements in the affidavit or the attached exhibits. The

sworn statements and photographs clearly evidence the Mark on public facing signs at more than one location in Canada during the Relevant Period which is sufficient to show that the Mark was used in the advertising of tax preparation services as shown by the signs “file today” and “fast refunds”. Moreover, one photograph shows a telephone number with a 403 area code, which the Owner’s agent submits and I take judicial notice of is a Calgary area code.

[16] Accordingly, I am satisfied that the Owner has demonstrated use of the Mark in association with the services “retail tax return preparation services, the foregoing being provided either by itself and/or through one or more franchised licensees” within the meaning of sections 4(2) and 45 of the Act.

No Use of the Mark is Shown for Tax Discounting Services

[17] Tax discounting services are not defined in the Owner’s evidence. At the hearing, the Owner agreed that I could take judicial notice of the definition of “tax discounting services” [*Marks & Clerk v Sparkles Photo Ltd*, 2005 FC 1012 at para 43; *Brouillette, Kosie v Luxo Laboratories Ltd* (1997), 80 CPR (3d) 312 (TMOB); and *Shapiro Cohen LLP v Proa*, 2017 TMOB 162 at para 44]. The *Tax Rebate Discounting Act*, RSC 1985, c T-3 regulates tax discounting services whereby a discounter calculates a tax refund and immediately pays part of the refund to the client before filing the income tax return. The tax refund is then paid to the discounter.

[18] The Owner’s evidence does not show use of tax discounting services. The only references to tax discounting services it contains are indirect references due to their being included in the defined term “the Registered Services” (para 3). The affidavit contains no specific statements pertaining to tax discounting services, the photographs do not contain any reference to such services being offered (Exhibit D) and the invoices provided all refer only to one type of service, namely “Tax Prep Receipt” which correlates more readily to retail tax return preparation services (Exhibit E). I do not consider the fact that the Mark itself includes INSTANT TAX REFUND as evidence that tax discounting services were in fact performed or that the Owner was prepared to perform them during the relevant period.

[19] In the absence of any clear factual assertions or documentary evidence pertaining specifically to these services, I consider the allegations of their use stemming only from their inclusion in a general definition to be indirect, bare allegations insufficient to meet the Owner's *prima facie* burden in section 45 proceedings [*Plough, supra*].

[20] As I find insufficient evidence that the Mark was used in association with tax discounting services and as there is no evidence of special circumstances excusing non-use, the registration will be amended to delete these services.

DISPOSITION

[21] 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 with respect to “retail tax return preparation services, the foregoing being provided either by itself and/or through one or more franchised licensees” and amended to delete “tax discounting services”. The amended services will read:

Retail tax return preparation services, the foregoing being provided either by itself and/or through one or more franchised licensees.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-07-24

APPEARANCES

For the Requesting Party: James Green

For the Registered Owner: Marta Tandori Cheng

AGENTS OF RECORD

For the Requesting Party: Gowling WLG (Canada) LLP

For the Registered Owner: Riches, McKenzie & Herbert LLP