



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 151

Date of Decision: 2023-08-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Cox & Palmer

Registered Owner: Steadfast Capital Management, LP

Registration: TMA735,023 for STEADFAST

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. TMA735,023 for the trademark STEADFAST (the Mark).

[2] The Mark is registered for use in association with the following services:

(1) Financial services, namely, financial analysis and consultation, forecasting and research, and financial investments in the field of mutual funds, hedge funds and private equity investments

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

PROCEEDING

[4] At the request of Cox & Palmer (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on October 5, 2021, to Steadfast Capital Management, LP (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 from October 5, 2018 to October 5, 2021.

[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] 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] In response to the Registrar’s notice, the Owner furnished the affidavit of Jeffrey Lee Moore, sworn on May 3, 2022, to which were attached Exhibits JLM-1 to JLM-12.

[9] Only the Owner submitted written representations and no oral hearing was held.

EVIDENCE

[10] In his affidavit, Mr. Moore identifies himself as the Managing Director at Steadfast Financial LP (Financial), a U.S.-based hedge fund and related entity to the Owner [paras 1-2].

[11] Mr. Moore begins by explaining that the registered services are provided by what he refers to as “Steadfast” (Steadfast), an investment adviser and manager, which collectively includes, among other entities, the Owner and Financial.

[12] In terms of Steadfast organizational structure, Mr. Moore describes the Owner as a non-operating holding company that serves as investment vehicle, and as an authorized licensee entirely controlled “in fact and law” by Financial. He describes Financial as the operating company that oversees all Steadfast investment vehicles and that controls the character and quality of the services offered by all Steadfast entities, including the Owner. According to Mr. Moore, Financial is the only Steadfast entity with actual employees and decision-making personnel [paras 2-6 and 10].

[13] Mr. Moore attests that the Mark was used by Steadfast, through Financial authorized licensees, in association with the registered services in Canada during the relevant period.

[14] Regarding the services, Mr. Moore states that Steadfast services are two-fold: (i) providing financial services to Canadian investors willing to put money in funds that Steadfast advises, and (ii) investing in Canadian companies the money put in funds that Steadfast manages [paras 8, 11 and 32-33].

[15] Mr. Moore describes the funds that Steadfast advises and manages as a type of investment vehicle known as “hedge funds”. He describes hedge funds investors as very sophisticated and knowledgeable of financial markets. According to Mr. Moore, hedge funds investors must be institutional investors or individuals, such as pension funds, university endowments, major philanthropic trusts and non-profit organizations. He adds that a single investment in hedge funds require a minimum of one million U.S. dollars [paras 3, 11-13]. To better explain the nature of this particular investment vehicle, he cites and provides an information bulletin issued by the U.S. Securities and Exchange Commission (SEC) [Exhibit JML-1], on which the hedge funds are described as follows:

Hedge funds pool investors’ money and invest the money in an effort to make a positive return. Hedge funds typically have more flexible investment strategies than, for example, mutual funds. Many hedge funds seek to profit in all kinds of markets by using leverage (in other words, borrowing to increase investment exposure as well as risk), short-selling and other speculative investment practices that are not often used by mutual funds.

[16] According to Mr. Moore, due to regulatory considerations, Steadfast is not allowed to advertise its hedge funds “in the traditional sense”. For example, he states that Steadfast may not engage in public advertising, such as ads in newspapers or magazines to promote its services. Nevertheless, he states that Steadfast services are advertised to prospective qualified investors by relying on word of mouth, or through introductions by intermediaries, such as financial institutions. Steadfast then promotes its services directly to prospective investors willing to put their money into hedge funds. In doing so, Steadfast holds meetings and exchanges emails with these prospective investors, and privately distributes presentations and informative material related to the hedge funds [paras 14 and 18].

[17] With respect to the use of the Mark in association with “financial services, namely, financial analysis and consultation, forecasting and research”, Mr. Moore states that he attended the sixth annual Standards Board for Alternative Investments Roundtable (the SBAI’s Roundtable), held in Montreal on November 26, 2018, where he met Canadian prospective investors. He confirms that after the event, he provided them with hedge funds informative material [paras 22 and 29-30]. In support, Mr. Moore provides a redacted copy of the SBAI’s Roundtable invitation dated November 19, 2018 [Exhibit JML-2]. The invitation lists several Canadian companies and institutions that confirmed attendance to the event. He also provides several emails exchanged from November 2018 to October 2019 with representatives of Opax Investments (Opax) and Winnermax Capital (Winnermax) [Exhibits JML-6 to JML-9]. Mr. Moore attests that Opax and Winnermax are two Ontario-based investment firms. The emails include several redacted materials entitled “Investor Letters” and “Investor Presentations”, all dated during the relevant period. For example, there are Investor Letters for the Q1 and Q4 of 2019 and Investor Presentations dated February 2019 and January 2020. I note that the Investors Letters expressly link the funds’ management to the Steadfast investments. The Mark appears either separately or as part of the Owner and Financial’s names in the emails and in the attached materials. I also note that Financial and the Owner’s addresses show that their premises are located in the same building.

[18] Further, Mr. Moore asserts that Canadian investors that put money into hedge funds during the relevant period earned profits from such an investment [para 31].

[19] With respect to the use of the Mark in association with “financial investments in the field of mutual funds, hedge funds and private equity investments”, Mr. Moore states that in managing hedge funds, Steadfast identify, through consultation, forecasting and research, companies in which to invest the funds provided by its hedge funds investors. In this regard, he states that Steadfast hedge funds have investments in companies around the world, including in Canada. In particular, Mr. Moore asserts that, during the relevant period, Steadfast invested “a significant amount (publicly undisclosed)” in a Ontario-based business, Wealthsimple, and in other Canadian companies such as Gildan Activewear Inc., Dollarama Inc., and Canadian Pacific Railway during the relevant period [paras 15, 32-36].

[20] Lastly, Mr. Moore asserts that the total worth of assets under Steadfast management during the relevant period in Canada amounts to approximately US\$9 billion, including investments in Canadian companies [para 20].

ANALYSIS

[21] As a preliminary matter, I note that Mr. Moore refers to and attaches an UK decision where the UK Registrar concluded to use of the Mark in association with financial services. However, cases decided in foreign jurisdictions have no precedential authority on this Board [see *Origins Natural Resources v Warnaco US* (2000), 9 CPR (4th) 540 (TMOB) at 548; and *Vivat Holdings Ltd. v Levi Strauss & Co.* (2005), 41 CPR (4th) 8 (FCTD)]. Furthermore, I note that Steadfast organizational structure in that case was different from the case at hand.

Use that enures to the Owner

[22] It has been held that, for the purposes of section 50(1), control can sometimes be inferred if such an inference is supported by the evidence [see for example, *Wells Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD); *BCF SENCRL v Spirits International BV*, (2012), 101 CPR (4th) 413; *Petro-Canada c 2946661 Canada Inc*

(1998), 83 CPR (3d) 129 (FCTD); *Borden Elliot Scott & Ayleen v House of Kwong Sang Hong International Ltd*, 2004 FC 554, CarswellNat 4780; and *Valhalla Pure Outfitters Inc. v Pure Licensing Limited*, 2017 TMOB 86].

[23] In the present case, I find that Mr. Moore's statements related to Steadfast organizational structure and his descriptions of Financial and the Owner support the conclusion that Financial exercised control over the character or quality of services associated with the Mark on behalf of the Owner. First, Mr. Moore asserts that the Owner is entirely controlled by Financial. Second, the latter is the sole entity within Steadfast having employees and decision-making personnel able to exert the requisite control. Further, the Investor Letters and the Investors Presentations show that the Owner and Financial are located in the same building. Therefore, I accept Mr. Moore's affidavit and supporting documents as being provided to the Owner's benefit and on its behalf for the purposes of sections 45 and 50(1) of the Act.

Use of the Mark in association with the registered services

[24] 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. The evidence in a section 45 proceeding need not be perfect; indeed, a registered 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 [per *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 at para 9]. It is also well established that use of a trademark in relation with a service must be decided on a case-by-case basis [see *Express File Inc v HRB Royalty Inc*, 2005 FC 542].

[25] In the present case, I first note that, aside from the recitation of the statement of services from the registration, I can find no reference to mutual funds in Mr. Moore's affidavit. I also note that the SEC bulletin expressly distinguish the hedge funds from the mutual funds, as reproduced above in paragraph 15. In view of the distinction made between these two funds and absent further evidence, I am unable to conclude that financial investments services were advertised specifically in the field of mutual funds.

Therefore, I am not satisfied that the Owner, through Financial, advertised mutual funds-related investment services in association with the Mark to Canadians during the relevant period. As there are no special circumstances excusing the absence of use of the Mark in association with financial investments in the field of mutual funds, the registration will be amended accordingly.

[26] That said, in view of the particular business in which Steadfast operates, I accept the emails and the material bearing the Mark sent to Opax and Winnermax as evidence of use of the Mark in the advertising of financial services, namely, financial analysis and consultation, forecasting and research. In addition, given that the Investors Letters expressly refer to Steadfast investments, I also accept these emails and material as evidence of use of the Mark in the advertising of financial investments in the field of hedge funds and private equity investments.

[27] Further, given that Mr. Moore asserts that Canadian investors earned profits from hedge funds during the relevant period and that the total worth of assets includes investments of these funds in Canadian companies, I am satisfied that the Owner, through Financial, provided financial services, namely, financial analysis and consultation, forecasting and research, and financial investments in the field of hedge funds and private equity investments in association with the Mark to Canadians during the relevant period.

DISPOSITION

[28] Accordingly, 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 “mutual funds” from the statements of services.

[29] The amended statement of services will read as follows:

(1) Financial services, namely, financial analysis and consultation, forecasting and research, and financial investments in the field of hedge funds and private equity investments.

Maria Ledezma
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Requesting Party: Cox & Palmer

For the Registered Owner: BCF S.E.N.C.R.L./BCF LLP