



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 167

Date of Decision: 2023-09-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Goodmans LLP

Registered Owner: Colgate-Palmolive Canada Inc.

Registration: TMA113,440 for AJAX

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. TMA113,440 for the trademark AJAX (the Mark), owned by Colgate-Palmolive Canada Inc. (the Owner).

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

THE PROCEEDING

[3] At the request of Goodmans LLP (the Requesting Party), the Registrar of Trademarks issued a notice to the Owner under section 45 of the Act on February 9, 2021.

[4] The notice required the Owner to show whether the Mark had been used in Canada in association with each of the goods 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 use since that date. In this case, the relevant period for showing use is February 9, 2018 to February 9, 2021.

[5] The Mark is registered for use in association with:

(1) Cleansers.

(2) Scouring pads.

(3) Washing powders, liquid and powdered products for removing dirt, grease or grime by means of a detergent action, wax and polish, detergent powder and liquid detergent, ammonia, window cleaner, and bleaches.

(4) A synthetic detergent product in bar form.

(5) Starch.

(6) Automatic dishwashing detergent.

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

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.

[7] It is well accepted that 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)]. However, 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.

[8] In response to the Registrar's notice, the Owner furnished the affidavit of Melanie Jennison, Chief Trademark Counsel and Chief Personal Care and Home Care Marketing Counsel, Global, for Colgate-Palmolive Company ("CP Company"), the parent company of the Owner. Ms. Jennison's responsibilities include counselling business teams on trademark matters, overseeing trademark use and maintaining the trademark rights of CP Company and the Owner.

[9] Both parties submitted written representations and were represented at an oral hearing.

REASONS FOR DECISION

Goods for Which No Evidence of Use is Provided

[10] The evidence is silent as to the use of the Mark in Canada in association with the following goods during the relevant period:

(2) Scouring pads.

(3) Washing powders, liquid and powdered products for removing dirt, grease or grime by means of a detergent action, wax and polish, detergent powder, ammonia, window cleaner, and bleaches.

(4) A synthetic detergent product in bar form.

(5) Starch.

(6) Automatic dishwashing detergent.

[11] The evidence is that the Owner ceased direct sales of the registered goods in Canada in association with the Mark in 2016 (para 6). While there is evidence of sales of cleansers and liquid detergent with the Mark through *Amazon.ca* during the relevant period, there is no evidence of use of the remaining goods. While Ms. Jennison explains that the Owner is in active negotiations with potential distributors and intended to resume sales in 2021 (paras 7-8), there is no evidence of any special circumstances which would excuse non-use of the Mark with the goods set out in paragraph 10. Special circumstances are circumstances or reasons that are unusual, uncommon, or

exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)]. As such, the registration will be amended to delete these goods.

Evidence with Cleansers and Liquid Detergents

[12] The Registrant's evidence with respect to the remaining goods in the registration, cleansers and liquid detergent, is that CP Company has sold these goods in association with the Mark to Canadian consumers through *Amazon.ca*.

Use Does Not Enure to the Owner

[13] The Requesting Party submits that use of the AJAX trademark by CP Company does not enure to the Owner as the evidence does not show that the Owner exerts direct or indirect control over the character and quality of the goods.

[14] It is well established that there are three main methods by which a trademark owner can demonstrate the requisite control pursuant to section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of the licence agreement that provides for the requisite control [*Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102 at para 84]. Here, the evidence does not show that the Owner exerted the requisite control. Rather, Ms. Jennison's evidence is that:

- CP Company is the parent of the Owner (para 1).
- With the Owner's knowledge and permission, CP Company has been selling goods in association with the AJAX trademark directly to Canadian consumers through *Amazon.ca* (para 2).
- The character and quality of the AJAX brand registered goods sold in Canada through *Amazon.ca* is controlled by the Owner through CP Company (para 14).

[15] I do not find that Ms. Jennison has clearly attested that the Owner exerts direct or indirect control over the quality of the Goods. In the absence of further evidence, the statement that the character and quality of the goods is controlled by "[the Owner]

through CP Company” does not allow me to infer that the Owner exerts direct or indirect control over the quality of the Goods manufactured by or for CP Company. This statement is ambiguous and could mean that the Owner is relying on the corporate relationship between the parties to have the evidence enure to its benefit even though the CP Company directly or indirectly controls the character and quality of the Goods. Similarly, the statement that the sales were with the Owner’s knowledge and permission does not equate with direct or indirect control over their quality. In so finding, I cannot resolve the evidentiary ambiguity created by the sentence “the character and quality of the above-noted AJAX brand Registered Goods sold in Canada through *Amazon.ca* is controlled by the [Owner] through CP Company” in favour of the Owner, as to do so would lower the prima facie standard required to prove use [*Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184].

Goods are Sold in the Normal Course of Trade

[16] It is incumbent on an owner to set out sufficient facts to allow the Registrar to conclude that any evidenced sales were in the normal course of trade [*Wallace v Geoservices* (1988), 19 CPR (3d) 561 (TMOB); *Sim & McBurney v Majdell Manufacturing Co* (1986), 11 CPR (3d) 306 (FCTD)].

[17] The Requesting Party submits that use in the normal course of trade has not been shown because the Registrant has not provided sufficient evidence of what constitutes its normal course of trade. While it is true that Ms. Jennison has stated that the Owner ceased direct sale of its AJAX products in 2016 and that CP Company has sold AJAX through *Amazon.ca* (paras 6,9), this is not the end of the inquiry. As stated in *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1992), 43 CPR (3d) 473 at 486 (FCTD), reversed but not on this issue 54 CPR (3d) 444 (FCA), “Once there is evidence which reveals more than a bare statement that the trademark was in use, then it can reasonably be inferred that the use was in the normal course of trade.”

[18] Here, pages from *Amazon.ca* are provided which are representative of what Canadian consumers would have seen during 2019-2021 when purchasing cleansers and detergent through *Amazon.ca* (paras 11-13). Further, Ms. Jennison identifies the

pictures of the AJAX brand products which include the Mark prominently on labels on these pages as “how the product would appear when delivered to Canadian consumers in Canada who purchased the product during that time”. Further, the volume of sales has been provided and include sales of cleansers of over \$5000 and liquid detergent of over \$400 for 2019 and 2020. The sales volumes provided put the evidence in this case far beyond the circumstances where sales have been found outside the normal course of trade such as “token” sales, sales to related companies, free delivery of samples, pro-forma transfers, or contrived sales [*L’Oréal v Cosmética Cabinas SL*, 2016 FC 680 at para 51; *JC Penney Co Inc v Gaberdine Clothing Co Inc*, 2001 FCT 1333 at para 92; *Guido Berlucchi & C. Srl v Brouillette Kosie Prince*, 2007 FC 245]. Finally, these representative *Amazon.ca* pages show several different cleaning products suggesting that it is in the normal course of trade to place orders on *Amazon.ca* for products of these types.

[19] The Requesting Party submits that the products on the *Amazon.ca* pages do not appear to comply with Canadian packaging and labelling requirements which further supports that the use shown cannot be use in the normal course of trade. For example, the products do not appear to have bilingual labelling of the generic product descriptions. Moreover, directions appear in Spanish and English but not French. However, it is well-established that compliance with other legislation is not at issue in section 45 proceedings. As stated in *Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD), a section 45 proceeding is not the correct forum for determining whether the Registrant is in compliance with labelling laws and such a determination is not relevant to the question of use as defined by the Act.

Conclusion

[20] As such, while I do find that there was use of the Mark on the cleansers and detergents sold in Canada in the normal course of trade as use does not enure to the Owner and there are no special circumstances excusing non-use, the registration will be expunged.

DISPOSITION

[21] In view of all of the foregoing, 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 expunged.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-06-13

APPEARANCES

For the Requesting Party: Amalia Berg

For the Registered Owner: Kwan T. Loh

AGENTS OF RECORD

For the Requesting Party: Goodmans LLP

For the Registered Owner: Smart & Biggar LP