



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2023 TMOB 200

**Date of Decision:** 2023-11-30

## **IN THE MATTER OF A SECTION 45 PROCEEDING**

**Requesting Party:** Chicago Mercantile Exchange Inc.

**Registered Owner:** Canadian Mortgage Experts Inc.

**Registration:** TMA953,759 for CME Variable Rate Protection Plan

## **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. TMA953,759 for the trademark CME Variable Rate Protection Plan (the Mark) with respect to only the services described as inflation hedging services.

[2] For the reasons that follow, I conclude that the registration ought to be amended to expunge these services.

## **THE PROCEEDING**

[3] At the request of Chicago Mercantile Exchange Inc. (the Requesting Party), the Registrar of Trademarks issued a restricted notice under section 45 of the Act on April

20, 2022 to the registered owner of the Mark, Canadian Mortgage Experts Inc. (the Owner) for inflation hedging services.

[4] The notice required the Owner to show whether the Mark was used in Canada, within the meaning of section 4 of the Act, in association with inflation hedging services 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 April 20, 2019 to April 20, 2022 (the Relevant Period). In the absence of use, the services in the restricted notice are liable to be expunged, unless the absence of use is due to special circumstances.

[5] The purpose of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register. As such, the evidentiary threshold that the Owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448] and “evidentiary overkill” is not required [*Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD)]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the Mark was used in association with the services during the Relevant Period.

[6] In response to the notice, the Owner furnished the Affidavit of Michael Lloyd.


[7] The Requesting Party alone submitted written representations. A hearing was not held.

## **THE EVIDENCE**

[8] Mr. Lloyd is the owner and operator of the Owner, who provides mortgage lending services to Canadians from physical locations in British Columbia and Alberta and from the websites *homehappy.ca* and *cmexp.com*.

[9] Mr. Lloyd asserts that the Owner used the Mark during the Relevant Period in a brochure attached as Exhibit C to his affidavit. This brochure was available on the

Owner's website *homehappy.ca* and to prospective customers as a handout. The relevant page of the brochure includes "Variable Rate Protection Plan" several times as shown below (Exhibit C, page 24).




# Variable Rate Protection Plan

For when you need to think about *their* future

## 1 What is the Rate Hold Program?

If you have a variable interest rate mortgage product, then you know that it can go up whenever the Bank of Canada chooses to raise it. Our Variable Rate Protection Plan watches the Mortgage market for any sign of an upward pressure, and when it looks volatile we 'lock in' the best fixed rate possible for you for 120 days. At that time you have a choice to either lock in on that day with your current lender for free, or take a chance that it is a temporary blip and keep floating. With our plan, you can take up to 120 days to decide.



## **Analysis and Reasons for Decision**

[10] The Requesting Party submits that the variation VARIABLE RATE PROTECTION PLAN is not the Mark as registered. Further, the Requesting Party submits that there are no special circumstances that would excuse non-use.

### ***Impermissible Deviation From the Mark***

[11] In considering whether the display of a trademark constitutes display of the trademark as registered, the question to be asked is whether the trademark was displayed in such a way that it did not lose its identity and remained recognizable, in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this

issue, one must look to see whether the “dominant features” of the registered trademark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[12] In this case, CME is one of the dominant features of the Mark as it is the first and distinctive component in the Mark. As it is not part of the trademark as used, the differences between the trademark as used and the Mark as registered are too substantial to be a minor deviation. Further, I consider that the Mark has lost its identity by virtue of the loss of the distinctive component CME. As such, the Owner has not evidenced use of the Mark during the Relevant Period as required by section 45 of the Act.

***No Special Circumstances Which Excuse the Absence of Use***

[13] The Requesting Party submits that the Owner’s evidence does not include special circumstances which would excuse the lack of use of the Mark in association with inflation hedging services.

[14] The reasons for non-use provided by Mr. Lloyd include that demand for inflation hedging services was abnormally low during the Relevant Period given that “rates were decreasing and then staying at what became historic lows” (para 6) and that the Governor of the Bank of Canada indicated that the low rates would be held steady for three years (para 7, Exhibit B).

[15] The Federal Court has held that special circumstances mean circumstances or reasons that are “unusual, uncommon, or exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)]. “Poor economic conditions” or unfavourable market conditions, such as the low interest rates in this case, on their own are not “an uncommon or exceptional situation” [*Lander Co Canada v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)].

[16] Finally, the Owner’s brochure references the inflation hedge strategy (Exhibit C, page 25) excerpted below suggesting that there was in fact a market for these types of products during the Relevant Period, even if it was not robust.

*The Inflation Hedge Strategy alerts you every time your lender adjusts their interest rates.  
Being aware of these notifications allows you to strategically increase your mortgage payment by small  
manageable increments.*

[17] As such, I do not find that the lack of use of the Mark is excused due to special circumstances.

**DISPOSITION**

[18] 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 inflation hedging services. The registration will now read:

(1) Home equity lending brokerage services; mortgage rate monitoring services;  
mortgage brokerage; mortgage services;

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Natalie de Paulsen  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** No hearing held.

## **AGENTS OF RECORD**

**For the Requesting Party:** BERESKIN & PARR LLP/S.E.N.C.R.L., S.R.L

**For the Registered Owner:** JAMES J. D. WAGNER (Silvergate Law)