



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2015 TMOB 169**  
**Date of Decision: 2015-08-28**

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

<b>GMAX World Realty Inc.</b>	<b>Requesting Party</b>
<b>and</b>	
<b>RE/MAX, LLC</b>	<b>Registered Owner</b>
<b>TMA575,047 for REMAX</b>	<b>Registration</b>

[1] At the request of GMAX World Realty Inc. (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on November 19, 2013 to RE/MAX, LLC (the Owner), the registered owner of registration No. TMA575,047 for the trade-mark REMAX (the Mark).

[2] At the time the notice was issued, the Mark was registered for use in association with the following services: (1) Real estate brokerage services; (2) Franchise services, namely, offering technical assistance in the establishment and/or operation of real estate brokerage firms; (3) Insurance brokerage services.

[3] The notice required the Owner to furnish evidence showing that the Mark was used in Canada, in association with each of the services specified in the registration, at any time between November 19, 2010 and November 19, 2013. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] The relevant definition of use with respect to services is set out in section 4(2) of the Act as follows:

4(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] It is well established that mere 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 in these proceedings is quite 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 still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the services specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Owner furnished the affidavit of Elton Ash, sworn on February 18, 2014. Both parties filed written representations and attended an oral hearing held on May 22, 2015. The hearing was held jointly with respect to summary cancellation proceedings for three associated registrations, namely RE/MAX & Balloon Design (TMA717,554), RE/MAX (TMA717,562), and RE/MAX COMMERCIAL & Design (TMA771,851). Separate decisions will be issued with respect to those proceedings.

[7] Two days prior to the hearing, the Owner filed an additional affidavit, sworn by Elton Ash on May 19, 2015. In its covering letter, the Owner noted that it was not asking that such "supplementary evidence" be accepted by the Registrar at that stage of the proceeding, but only that it be considered "in the event that the Registrar has doubts following the submissions of the parties" on the issue of control by the Owner during the relevant period.

[8] As noted by the Requesting Party, however, there is no provision for the filing of reply evidence or requesting leave to file additional evidence in a section 45 proceeding [see *Oyen Wiggs Mutala v Hung Gay Enterprises Ltd*, 2014 TMOB 107 at para 7, 125 CPR (4th) 238; and *Riches, McKenzie & Herbert LLP v D'Amour Bicycles & Sport Inc*, 2014 TMOB 146 at para 8, CarswellNat 1739]. As such, the May 2015 affidavit of Elton Ash was not made of record and was not considered in this proceeding.

[9] Subsequent to the oral hearing, the Owner voluntarily amended the subject registration to delete services (3), “Insurance brokerage services”, from the registration. This was consistent with the Owner’s concession at the oral hearing that the Mark had not been used in association with such services. Accordingly, the reasons below will focus on the remaining services only.

#### The Owner’s Evidence

[10] In his February 2014 affidavit, Mr. Ash attests that he is an Executive Vice President with the Owner. He attests that he has held that position since 2005 and has been employed by the Owner since 1984.

[11] Mr. Ash attests that the Owner is in the business of franchising real estate agency services, real estate brokerage services, and providing franchising, consulting, and other services in the real estate field. He explains that the services are offered through a network of sub-franchisors, franchisees, and affiliated sales associates referred to as “RE/MAX Affiliates”, all of which are “authorized by the Owner under license” to use the Mark. He attests that there were over 18,000 RE/MAX Affiliates based in Canada during the relevant period, who handled over 900,000 real estate transactions between 2011 and 2013. He further attests that through 2011 and 2012, the Owner generated approximately US\$48 million in revenue from providing services to its RE/MAX Affiliates in Canada.

[12] Mr. Ash attests that the Owner and its RE/MAX Affiliates promote real estate brokerage and franchising services in association with the Mark in various ways including on their websites, through social media, and through media campaigns. As described below, he attests that the Mark is displayed on such websites and advertisements promoting both brokerage and franchising services. He also attests that the word “REMAX” was spoken aloud in television advertisements as part of the Owner’s media campaign as well as in recorded telephone messages.

[13] In support, Mr. Ash attaches the following exhibits to his affidavit:

- Exhibit B consists of various screenshots of websites and social media posts made by RE/MAX Affiliates during the relevant period. Mr. Ash attests that the screenshots show

how RE/MAX Affiliates use the Mark in association with real estate brokerage services. The screenshots show advertisements for real estate, as well as articles regarding particular Ottawa neighbourhoods. The Mark appears throughout the advertisements and articles.

- Exhibit C consists of screenshots from the websites *www.remax.ca* and *www.remaxcareer.ca*, which Mr. Ash attests show how the Owner provided real estate brokerage and franchising services. The *www.remax.ca* screenshots show the website at various points during the relevant period, and show agent referral and property search functions. The webpage from *www.remaxcareer.ca* provides information on how to become a RE/MAX agent and advertises the benefits of doing so. The Mark is displayed multiple times on each webpage. Further, Mr. Ash attests that the *www.remax.ca* website received an average of 305,000 visitors per month during the relevant period.
- Exhibit D consists of screenshots from the websites *www.theremaxcollection.ca*, *www.remax-quebec.com*, and *www.remaxcommercial.ca* showing how these websites appeared during the relevant period. Mr. Ash attests that these websites advertise “real estate brokerage and franchise-related wares and services to consumers in association with [the Mark]”. The webpages appear to show various ways that individuals can search for and compare available real estate, all of which is consistent with the Owner’s “real-estate brokerage services”. However, contrary in part to Mr. Ash’s assertion, nothing in the screenshots appears to relate to franchise services in the form of “offering technical assistance in the establishment and/or operation of real estate brokerage firms”.
- Exhibit E is a DVD containing two video clips and four audio clips. Mr. Ash attests that the Owner promotes its real estate brokerage and franchising services through promotional videos presented to RE/MAX Affiliates in Canada. The first video on the DVD promotes a 2011 conference held in Las Vegas, Nevada. Mr. Ash explains that the intended audience of the video is RE/MAX Affiliates who are seeking support and training as part of the Owner’s franchising services. The second video is an instructional video related to a video-based educational service called “RE/MAX University” which Mr. Ash attests is representative of the videos distributed to RE/MAX Affiliates. Mr. Ash

attests that the “REMAX trade-mark is prominently heard” in the videos. I note that the Mark also appears on screen in both video clips.

With respect to the audio clips on the DVD, Mr. Ash attests that “Canadian customers of the Owner’s franchising services are ... exposed to the REMAX trade-mark when they call the Owner’s offices to receive such services and support, when the REMAX trade-mark is prominently mentioned in telephone hold messages”. The audio clips are recordings of such messages, and I note that there is an oral reference to “REMAX” in the recording. Mr. Ash further attests that “similar such recordings were used in RE/MAX regional branches across Canada throughout the Relevant Period.”

- Exhibit F consists of printouts of presentation slides summarizing the Owner’s media and advertising campaigns for 2011 through 2013. Mr. Ash attests that “the campaigns were estimated to create an average of 265 million unique impressions” online per year during the relevant period. For example, one slide states that the Owner’s fall 2011 campaign included 60,000 advertisements and was expected to generate 247 million “impressions” (an advertising term referring to the number of times an online advertisement is retrieved from its source). The slides describe how the Mark was displayed in television, print, online, billboard, and arena-based advertisements, and how those advertisements were disseminated in Canada. One of the slides states that the goal of the campaign is to “reach millions of real estate buyers and sellers with targeted messages”. I note that the advertisements shown relate to real estate brokerage services only; none of the slides or advertisements appears to relate to franchising services.

### Analysis

[14] As noted above, the Owner conceded at the oral hearing that the Mark was not used in association with “insurance brokerage services” and the Owner subsequently amended the registration to delete those services.

[15] As a preliminary matter, I note that some of the Owner’s evidence is with respect to oral references to the Mark, as heard in the exhibited videos and telephone message recordings.

However, in *Playboy Enterprises Inc v Germain* (1987), 16 CPR (3d) 517 (FCTD), the Federal

Court stated that “use of a verbal description is not use of a trade mark within the meaning of the *Trade Marks Act*. A ‘mark’ must be something that can be represented visually” [at para 10]. Leaving aside the issue of sound marks [see *Gowling Lafleur Henderson LLP v Fort James Operating Co*, (2008) 73 CPR (4th) 15 at para 18 (TMOB)], I agree with previous decisions of the Registrar that have held that traditional word marks, such as the subject Mark, must be represented visually in order to constitute use within the meaning of section 4 of the Act [see *Holmes v Pandemic 101 Corp*, 2010 TMOB 68, CarswellNat 1985 and *Poltev v MMI-GOC LLC*, 2012 TMOB 167, 105 CPR (4th) 72].

[16] In any event, this issue is moot as the Mark is also displayed visually throughout the evidence.

[17] For example, with respect to “real estate brokerage services”, the Mark appears on the Exhibit B screenshots of social media pages and other websites operated by RE/MAX Affiliates. The pages and websites include advertisements for real estate, as well as tools that consumers can use to access real estate brokerage services. The Mark also appears repeatedly in the Owner’s media campaign which was specifically targeted toward buyers and sellers in need of real estate brokerage services. Given Mr. Ash’s attestations regarding revenue and the large volume of real estate transactions brokered by RE/MAX Affiliates, it is clear that such real estate brokerage services were in fact performed in association with the Mark by the Owner and its RE/MAX Affiliates during the relevant period.

[18] With respect to the registered franchise services, I note that the Mark appears on the [www.remaxcareer.ca](http://www.remaxcareer.ca) website operated by the Owner which both advertises and offers such services. The website includes links which explain how to become an agent and what training the Owner offers to its franchisees. Training and assistance is also offered through the Owner’s “RE/MAX University” service which provides a variety of training videos available for online streaming. Similarly, the Mark is displayed in a promotional video for RE/MAX University and in the training videos themselves.

[19] The Requesting Party’s submissions ultimately focused on two issues. First, the Requesting Party argued that much of Mr. Ash’s evidence is inadmissible hearsay. Second, the Requesting Party argued that the Owner failed to show proper licensing and control over the use

of the Mark. At the oral hearing, the Requesting Party conceded that, aside from these two issues, the evidence was sufficient to demonstrate use of the Mark in association with the registered real estate brokerage services and the franchise services.

[20] With respect to the hearsay issue, the Requesting Party submitted that portions of Mr. Ash's affidavit are inadmissible hearsay because he attests to facts that he has no knowledge of and furnishes evidence on behalf of RE/MAX Affiliates. More specifically, the Requesting Party submitted that Mr. Ash does not state that he had access to the business records of the RE/MAX Affiliates, nor does he explain how he allegedly came to know of their activities.

[21] However, I agree with the Owner that the summary nature of cancellation proceedings is such that concerns regarding hearsay should generally only go to the weight given to evidence rather than admissibility [see *Derby Cycle Werke GmbH v Infinité Cycle Works Ltd*, 2013 TMOB 134, 113 CPR (4th) 412; *Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18, 90 CPR (4th) 277; and *Wishbuds Inc v Sandoz GmbH*, 2013 TMOB 208, CarswellNat 4700]. In any event, given Mr. Ash's position with the Owner and the nature of the evidence furnished, I accept that his statements are reliable and that it would be evidentiary overkill to require the Owner to furnish multiple affidavits from its various regional affiliates and franchisees.

[22] With respect to the licensing and control issue, the Requesting Party argues that, as the RE/MAX Affiliates appear to be separate legal entities from the Owner, a license is necessary for their use of the Mark to enure to the Owner's benefit. As a consequence, the Requesting Party submits that section 50(1) of the Act is not satisfied in this case.

[23] In this respect, the Requesting Party submits that the requirements of section 50(1) of the Act can be satisfied in three ways: first, by making a sworn statement regarding control [citing *Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248]; second, by providing evidence demonstrating control [citing *Mantha & Associés/Associates v Central Transport Inc* (1995), 64 CPR (3d) 354 (FCA)]; or third, by providing a copy of the license itself [citing *Eclipse International Fashions Canada Inc v Shapiro Cohen*, 2005 FCA 64, 48 CPR (4th) 223]. The Requesting Party further submits that the Owner has done none of the above.

[24] Indeed, in the present case, the Owner has not furnished a licensing agreement and Mr. Ash does not explicitly use the term “control” in his affidavit. However, he does make the following statement at paragraph 8 of his affidavit:

The Owner provides its wares and services throughout Canada through a network of sub-franchisors, franchisees, and affiliated sales associates (“RE/MAX Affiliates”) who are authorized by the Owner under license to use its registered and common law trade-marks in connection with franchising real estate services, real estate brokerage services, and related wares and services.

[25] The Requesting Party took issue with this language, arguing that “authorized by the Owner under license” is not a sufficient statement of control pursuant to section 50(1) of the Act. It argued that a *clear* statement of control is required and that, in the past, the Registrar has drawn a distinction between control over the character and quality of the goods or services versus control over the use of a trade-mark – which on its own may not satisfy section 50(1) [citing *Asima Realty Ltd v Cofely Services SA*, 2013 TMOB 69, 113 CPR (4th) 174].

[26] In response, the Owner argued that it is overly technical to require the use of the word “control” when describing a licensing arrangement. In other words, the Owner submitted that Mr. Ash’s statement above was, indeed, sufficient to constitute a sworn statement of “control”, notwithstanding the lack of the actual word “control”. Alternatively, the Owner argued that, if necessary, control over the character and quality of the services can be inferred in this case from Mr. Ash’s statements and the fact that the services were being provided in the context of a franchise system. In its written arguments, the Owner cited legislation from Alberta and Manitoba dealing with the creation and operation of franchises as a means of demonstrating that the requisite control is legally required between franchisors and franchisees in general.

[27] However, it is not necessary to refer to that legislation in order to find that the requisite control is satisfied in this case. Again, it is well-established that trade-mark owners are not required to evidence license agreements in a section 45 proceeding, and instead a clear statement of control can be sufficient to meet any requirements of section 50 of the Act [see *Gowling, Strathy & Henderson v Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB)]. I further note that the Federal Court has cautioned against letting technical requirements become “a trap for the unwary” where a trade-mark has been obviously in use by its rightful owner [see *Baume &*



*Mercier SA v Brown* (1985), 4 CPR (3d) 96 (FCTD) at para 8]. Although that case dealt primarily with technical aspects of affidavits, requiring narrowly particular phrasing to satisfy section 50 of the Act in the context of a summary cancellation proceeding would seem to be contrary to the general principle.

[28] In any event, whether the aforementioned statement is on its own an adequate statement of control is moot in this case. Here, the evidenced franchisor/franchisee relationship between the Owner and its affiliates is *prima facie* evidence of control given the broad control that is typical in franchising relationships. Accordingly, I accept that the evidence as a whole demonstrates that the Owner exercised the requisite level of control over the character and quality of the RE/MAX Affiliates' services offered in association with the Mark pursuant to section 50 of the Act.

[29] As such, in view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the registered real estate brokerage services and franchise services within the meaning of sections 45 and 4(2) of the Act.

### Disposition

[30] 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 section 45 of the Act, the registration will be maintained as follows:

- (1) Real estate brokerage services;
- (2) Franchise services, namely, offering technical assistance in the establishment and/or operation of real estate brokerage firms.

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Andrew Bene  
Hearing Officer  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

Hearing Date: 2015-05-22

Appearances

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For the Registered Owner

Bayo Odutola

For the Requesting Party

Agents of Record

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