

**IN THE MATTER OF A SECTION 45  
PROCEEDING requested by Borden Ladner  
Gervais against registration No. TMDA 19191  
for the trade-mark MUELLER in the name of  
Mueller International, Inc. (a Delaware  
Corporation)**

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[1] On March 10, 2006, at the request of Borden Ladner Gervais (the Requesting Party), the Registrar forwarded a notice under s.45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) to Mueller International, Inc. (a Delaware Corporation), the registered owner of the above referenced trade-mark registration (the Registrant). The trade-mark MUELLER (the Mark) is registered in association with the following wares: Plumbing and steam fitting fixtures, cocks and valves, metal working tools and machines, pipe fittings, service boxes, gas and water meters and fittings therefore and hydrants (the Wares).

[2] In response to the notice, the Registrant furnished the affidavit of Leo W. Fleury, sworn June 8, 2006. Both the Registrant and the Requesting Party filed written arguments and an oral hearing was conducted which both parties attended. This case was heard at the same time as Registration No. TMA163,123 for the trade-mark MUELLER 110.

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and/or services listed on 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 any time between March 10, 2003 and March 10, 2006.

[4] The scope of s. 45 proceedings have been described in the following terms in *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1987), 13 C.P.R. (3d) 289 (F.C.T.D.) at 293-294, when s. 45 was known as s. 44:

It is well established that the purpose and scope of s. 44 is to provide a simple, summary and expeditious procedure for clearing the register of trade marks which are not bona fide claimed by their owners as active trade marks. The procedure has been aptly described as one for removing "deadwood" from the register. The section does not contemplate a determination on the issue of abandonment but rather simply places on the registered owner of the trade mark the onus of furnishing evidence of use in Canada or of special circumstances excusing non-user. The registrar's decision is not one that finally determines substantive rights but only whether the trade mark entry is liable to be expunged under s. 44 or not. If use is relied on then the evidence filed in response to the notice must "show" the use or, at least, sufficiently relate the facts from which such use can be inferred. Mere statutory tracking in the nature of a bare statement that the registrant was currently using the trade mark in the normal course of trade in association with the wares is insufficient to establish user unless coupled with facts that are descriptively corroborative of the same. Evidence of a single sale, whether wholesale or retail, in the normal course of trade may well suffice so long as it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trade mark. Evidence in response to a s. 44 notice should be forthcoming in quality, not quantity, and there is no need nor justification for evidentiary overkill: see *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62, [1981] 1 F.C. 679, 34 N.R. 39 (F.C.A.); *Anheuser-Busch, Inc. v. Carling O'Keefe Breweries of Canada Ltd. et al.* (1982), 69 C.P.R. (2d) 136, 142 D.L.R. (3d) 548, [1983] 2 F.C. 71 (F.C.A.); *American Distilling Co. v. Canadian Schenley Distillers Ltd.* (1977), 38 C.P.R. (2d) 60; *John Labatt Ltd. v. Rainier Brewing Co. et al.* (1984), 80 C.P.R. (2d) 228, 2 C.I.P.R. 22, 54 N.R. 296 (F.C.A.); *Philip Morris Inc. v. Imperial Tobacco Ltd. et al.* (1985), 7 C.P.R. (3d) 254 (F.C.T.D.); *Keepsake, Inc. v. Prestons Ltd.* (1983), 69 C.P.R. (2d) 50, [1983] 2 F.C. 489 (F.C.T.D.); and *Union Electric Supply Co. Ltd. v. Registrar of Trade Marks* (1982), 63 C.P.R. (2d) 56, [1982] 2 F.C. 263 (F.C.T.D.).

[5] Mr. Fleury identifies himself as the Operations Manager of Mueller International, Inc., Vice-President, Research and Development of Mueller Co., the United States operating affiliate of the Registrant and Vice President of Mueller Canada Ltd. (Mueller Canada), the Canadian operating affiliate of the Registrant. At paragraph 7 of his affidavit, he states the following:

“Pursuant to written license agreements effective as of September 20, 2001, the Registrant granted to each of Mueller Canada and Mueller Co. (collectively, the “Licensees”) a license to use, among other things, certain patents and trade-marks owned by the Registrant in various countries throughout the world (the “License Agreements”). Specifically, for these purposes, pursuant to the License Agreements, the Registrant licenses the Licensees to use the Trade-mark in Canada in association with the Wares. Pursuant to the License Agreements, the Registrant maintains quality control over the Trade-mark and all use by the Licensees of the Trade-mark insures to the benefit of the Registrant.”

[6] Mr. Fleury goes on to explain that the licensees manufacture all of their products, including the Wares bearing the Mark at their own factories and foundries and have been doing

so throughout the relevant period. The ordinary course of the licensees' trade in Canada involves selling the products at wholesale to unrelated retailers who in turn sell the products to consumers and to industrial plumbing suppliers for installation or sale to the trade.

[7] At paragraph 12 of his affidavit, Mr. Fleury states that when the Mark appears on the Wares, it is often physically impressed or embossed into or onto the Wares themselves. He then states "in other cases, it appears on packaging or instruction manuals or other product literature that accompanies the wares". Attached as Exhibit A to his affidavit are "photocopies of photographs of samples of the Wares showing the trade-mark as it appears thereon".

[8] At paragraph 16 of his affidavit, Mr. Fleury lists the unit sales of each of the Wares during 2005 as follows: 350,000 of gate valves, 900,000 gas meter valves, 100,000 fire hydrants, 500,000 saddles, 1,000,000 brass service valves, and 2,000 drilling machines. He further states that "a significant majority" would involve the Mark being displayed on the Wares, and that 10-15% of these sales volumes by unit was in Canada.

[9] Mr. Fleury has also provided understated figures for sales in Canada of the Registrant's Wares by the licensees during the relevant period. The sales were more than \$250,000,000 during such time. A breakdown of this amount, with the sales figures for each of the Wares, was provided at paragraph 19 of Mr. Fleury's affidavit as follows:

Plumbing and steam fitting fixtures	\$ 0.1 million
Cocks and valves	\$ 52 million
Metal working tools and machines	\$ 2.5 million
Pipe fittings	\$ 1.5 million
Service boxes	\$ 5 million
Gas and water meters and fittings	
therefore	\$ 0.3 million
Hydrants	\$ 43 million

[10] Attached as Exhibit B to his affidavit are what Mr. Fleury states to be representative invoices showing sales of the Wares to addresses in Canada bearing the Mark during the relevant period.

[11] The Requesting Party submits that the registration ought to be expunged on the basis that the evidence consists of bare assertions of use of the Mark, which do not satisfy the requirements of s. 45 of the Act. The Requesting Party argues that the statements made by Mr. Fleury are ambiguous and susceptible to more than one interpretation. As such, the ambiguities should be resolved against the Registrant.

[12] The Requesting Party further asserts that the statements of Mr. Fleury are unsupported by the exhibits attached thereto. For example, the Requesting Party argues that the photographs attached as Exhibit A to Mr. Fleury's affidavit are inadmissible for the following three reasons:

- 1) the affiant does not establish when the photos were taken, i.e. within the three year period or more recently;
- 2) the affiant does not explain where they were taken, i.e. in Canada, or elsewhere;
- and
- 3) the affiant did not identify who took the photos.

[13] The Requesting Party also points out that the Registrant has not provided examples of packaging, instruction manuals or the product literature displaying the Mark which allegedly accompanies the Wares in some cases. Finally, the Requesting Party notes that the invoices attached as Exhibit B to Mr. Fleury's affidavit do not identify the types of Wares being sold, nor show the Mark in association with any of the Wares sold. Therefore, while the invoices may corroborate the sales, they do not show that the Wares sold bore the Mark.

[14] The Registrant's agent, on the other hand, submits that the evidence does show use of the Mark in association with each of the Wares during the relevant period. He submits that the photographs corroborate Mr. Fleury's testimony at paragraph 12, which is where Mr. Fleury explains how the Mark appears on the Wares. He further argues that the Registrant has provided

sales of the Wares in Canada during the relevant period, and has provided a breakdown of sales for the Wares in Canada at paragraphs 16 and 19 where he lists both units sold, and sales figures for specific Wares sold in Canada during the relevant period.

[15] It is true that bare assertions of use are insufficient to satisfy the requirements of s. 45 [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)]. However, a distinction must be drawn between assertions of use (a matter of law) and assertions of fact showing use [*Mantha & Associes/Associates v. Central Transport, Inc.* (1995), 64 C.P.R. (3d) 354 (F.C.A.)]. In this regard, documentary evidence is not necessarily required to show use, provided that the affidavit furnished by the Registrant contains sufficient facts to permit the Registrar to conclude that the registered trade-mark was used in Canada during the relevant period in association with each of the registered Wares. Finally, although the onus on the registrant in s.45 proceedings is not a heavy one, given the unavailability of cross-examination in these proceedings, ambiguous statements must be interpreted against the interest of the affiant [*Plough, supra*].

[16] Use in association with wares is set out in s.4(1) of the Act as follows:

4(1) A trade-mark is deemed to have been used in association with wares if, at the time of transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

[17] In my view, although the evidence furnished is not as clear as it could be, the evidence as a whole is sufficient to enable me to conclude that the Mark has been used in Canada in association with the registered Wares during the relevant period. The Registrant has clearly stated that during the relevant period, the licensees, on the Registrant's behalf, have used the Mark consistently in Canada in association with the Wares. Further, I am prepared to infer that the photos attached as Exhibit A to Mr. Fleury's affidavit are representative of how the Mark appeared on the Wares during the relevant period. Even if I were to find the photographs attached as Exhibit A inadmissible for the reasons the Requesting Party has argued, Mr. Fleury has still described how the Mark is used in association with the Wares at the time of transfer (i.e.

it is either physically impressed or embossed onto the Wares or it appears on packaging or instruction manuals or other product literature which accompanies the Wares). The Registrant has also provided sales figures for the relevant time period, and has broken down its sales in Canada during the relevant period by individual ware. Further, there is at least one invoice dated during the relevant period which, in my view, links the Mark to the Registrant's hydrants. In this regard, the invoice lists the sale of an "EXTENSION MUELLER HYD" during the relevant period, and I am prepared to conclude that "hyd" is an abbreviation for the word "hydrant". While the other invoices filed may not link the Mark to the Wares, they do confirm that there were some sales of the Wares during the relevant period in the Registrant's normal course of trade. In the circumstances of this case, it would be evidentiary overkill to require more. Sufficient facts have been provided to permit me to arrive at a conclusion of use of the Mark in association with all of the Wares during the relevant period.

[18] Although I am prepared to conclude that use has been shown of the Mark in association with the Wares during the relevant period, it must still be determined whether the use shown enures to the benefit of the Registrant. In this regard, all the use that has been shown has been by Mueller Canada and Mueller Co., companies which have been identified by Mr. Fleury as licensees of the Registrant.

[19] The only way that third party use of a trade-mark is deemed to be that of the registered trade-mark owner is when s. 50 of the Act is satisfied. Sections 50(1) and 50(2) of the Act are reproduced below:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the license, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

[20] In the present case, copies of the license agreements, from which I may have been able to determine that the Registrant had control over the character and quality of the Wares under the license, have not been submitted into evidence. Further, there has been no assertion as to the requisite control by the registered owner. In this regard, I note that Mr. Fleury states that the Registrant maintains quality control *over the trade-mark*. From the wording of s.50, it is clear that the registered owner must have, under the license, direct or indirect control *of the character or quality of the wares or services*. Finally, the evidence does not reveal that public notice was given of the fact that the Mark was used under license and of the identity of the Registrant; accordingly, the presumption set out in s. 50(2) of the Act does not arise in this case. I must therefore conclude that any use of the Mark by the licensees does not accrue to the Registrant.

[21] As I have concluded that any use shown by the evidence does not accrue to the Registrant, I have no alternative but to conclude that the Mark MUELLER ought to be expunged. Pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be expunged in compliance with the provisions of s. 45 of the Act.

DATED AT Gatineau, Quebec, THIS 22nd DAY OF December, 2009.

C.R. Folz  
Member,  
Trade-marks Opposition Board