



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

Citation: 2011 TMOB 247
Date of Decision: 2011-12-13

**IN THE MATTER OF SECTION 45 PROCEEDINGS
requested by Blakes, Cassels, Graydon LLP against
registration No. TMA513,677 for the trade-mark CWT
and registration No. TMA566,701 for the trade-mark
CWEB in the name of Canadian Western Bank**

[1] At the request of Blake, Cassels, Graydon LLP (the Requesting Party), the Registrar of Trade-marks issued notices under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) to Canadian Western Bank, the registered owner of registration No. TMA513,677 for the trade-mark CWT and registration No. TMA566,701 for the trade-mark CWEB (the Marks).

[2] With respect to CWEB, the section 45 notice issued on January 20, 2009; the mark is registered for use in association with the services “Providing access to and providing electronic internet-based interface with database information in the field of finance”.

[3] With respect to CWT, the section 45 notice issued on January 23, 2009; the mark is registered for use in association with “Financial services, namely services inherent in the operation of a trust company”.

[4] 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 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 with respect to CWEB is

between January 20, 2006 and January 20, 2009; with respect to CWT it is between January 23, 2006 and January 23, 2009.

[5] The definition of “use” in association with services is set out in s. 4(2) of the Act:

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.

[6] It is well established that the purpose and scope of s. 45 of the Act is to provide a simple, summary and expeditious procedure for removing “deadwood” from the register and, as such, the evidentiary threshold that the registered owner must meet is quite low. As stated by Mr. Justice Russell in *Performance Apparel Corp. v. Uvex Toko Canada Ltd.* (2004), 31 CPR (4th) 270 (FC) at 282:

[...] We know that the purpose of s. 45 proceedings is to clean up the "dead wood" on the register. We know that the mere assertion by the owner that the trade mark is in use is not sufficient and that the owner must “show” how, when and where it is being used. We need sufficient evidence to be able to form an opinion under s. 45 and apply that provision. At the same time, we need to maintain a sense of proportion and avoid evidentiary overkill. We also know that the type of evidence required will vary somewhat from case to case, depending upon a range of factors such as the trade-mark owners’ business and merchandising practices.

[7] In response to the Registrar’s notices, the Registrant filed affidavits of Peter Kenneth Morrison, Vice-President, Marketing & Product Development of the Registrant, in respect to each of the s. 45 proceedings (the Affidavits). The CWEB affidavit was sworn on April 17, 2009 and the CWT affidavit was sworn on July 20, 2009. Both parties filed written representations; an oral hearing was not requested.

[8] In his Affidavits, Mr. Morrison states that the Registrant is a Schedule I chartered bank incorporated pursuant to the *Bank Act*, S.C. 1991, c. 46, headquartered in Edmonton, Alberta, and which offers a wide range of personal and commercial financial services. Mr. Morrison further states that the Registrant’s subsidiary trust company, Canadian Western Trust, also known as Canadian Western Trust Company (CWTC), delivers its trust company services and administers the Registrant’s mutual funds. The evidence with respect to both registrations primarily relates to use by CWTC, as described below.

[9] Mr. Morrison states that the mark CWEB was first used by the Registrant through its subsidiary CWTC at least as early as 1999 in association with the services as registered. As evidence of use, Mr. Morrison provides the following in his affidavit:

- Exhibit A is a printout of the homepage of CWTC's website, *www.cwt.ca*. I note that the login link for the "CWEB Online Account Access" appears on the right hand side of the page. In addition, "Canadian Western Bank Group" appears at the top of the page, and the following appears in the text section of the page: "Canadian Western Trust, Valiant Trust and Canadian Direct Insurance are wholly owned subsidiaries of Canadian Western Bank". Although Mr. Morrison makes no statement as to whether the printout reflects the appearance of the website during the Relevant Period, I note that a link to information regarding tax-free savings accounts appears below the CWEB login, with the words "Free in 2009!"
- Exhibit B is a copy of the April 5, 2005 license agreement between the Registrant and CWTC. At paragraph 9 of the CWEB affidavit, Mr. Morrison explains that CWEB is one of the marks the Registrant licenses to CWTC pursuant to the statement found at Exhibit 1 of the license, which states that the license includes "Any further or other trade-marks, both registered and unregistered, that the Licensor decides in its sole and absolute discretion to license to the Licensee." As with the mark CWT, discussed below, although CWEB is not explicitly listed in the agreement, Mr. Morrison attests that the Registrant has licensed use of many of its marks, including CWEB, to its subsidiary. He further states that an amending agreement adding CWEB to the agreement has been executed by the parties.
- Exhibit C is a sample CWEB Access Agreement signed by CWTC customers in order to access financial account information available through CWTC's CWEB service. I note that the header is labelled "04/07", indicating that the form was printed in April 2007. Mr. Morrison attests that customers sign such agreements weekly and that as of the end of 2005, CWTC had 3106 customers sign up for the CWEB service, and that by the end

of 2008, it had 6681 such customers, indicating increased use of the CWEB service during the Relevant Period.

TMA513,677 - CWT

[10] Mr. Morrison states that the mark CWT was first used by the Registrant through its subsidiary CWTC at least as early as April 23, 1996 in association with financial services. As evidence of use, Mr. Morrison provides the following in his affidavit:

- Exhibit A is an undated Canadian Western Trust brochure and Exhibit B is an undated information sheet entitled “Who Are We?” Both exhibits advertise CWTC’s trust company services. I note that CWT appears throughout the brochure and information sheet as an initialism of Canadian Western Trust, and that the text describes CWTC as “a wholly owned subsidiary of Canadian Western Bank”. However, no information regarding distribution to potential consumers is provided for either Exhibit.
- Exhibit C is a copy of the April 5, 2005 license agreement between the Registrant and CWTC, along with a license amending agreement dated April 15, 2009. At paragraph 9 of the CWT affidavit, Mr. Morrison explains that CWT is one of the marks the Registrant licenses to CWTC pursuant to the statement found at Exhibit 1 of the license, which states that the license includes “Any further or other trade-marks, both registered and unregistered, that the Licensor decides in its sole and absolute discretion to license to the Licensee.” I note that the amending agreement explicitly adds CWT to Exhibit 1 of the license agreement.
- Exhibit D is a printout of the “About Us” webpage from *www.cwt.ca*, which Mr. Morrison states “existed in virtually the same form prior to the issuance of the Section 45 Notice...”. As with Exhibits A and B, I note that CWT appears as an initialism of Canadian Western Trust, and the text describes the services offered by CWTC as well as its relationship to the Registrant.
- Exhibit E is a sample Canadian Western Trust agreement signed by customers in order to receive trust company services. Mr. Morrison states that for privacy reasons, a signed

copy of an agreement has not been provided, but that he is aware that customers sign such agreements weekly. Mr. Morrison attests that as of the end of 2005, CWTC had 27,335 customers, and that by the end of 2008, it had 42,543 customers, indicating “a substantial number of clients who had signed the CWT Company Agreement in the last three years.” I note that CWT appears throughout the body of the agreement.

[11] Given the foregoing, I am satisfied that the Registrant has shown use of the Marks in association with their respective services as registered during the Relevant Period by CWTC. The Requesting Party submits, however, that the use shown does not enure to the benefit of the Registrant, noting that the Marks are not included in the 2005 licensing agreement and that the amendment to the agreement provided at Exhibit C of the CWT affidavit is dated after the Relevant Period. The Requesting Party further submits that the mere fact that a company using a trade-mark is a subsidiary of the owner of the trade-mark is not sufficient to raise a presumption that the parent company has control over the subsidiary’s use of the trade-mark. In support, the Requesting Party cites jurisprudence that states that corporate structure alone is insufficient to establish the existence of a license within the meaning of s. 50 of the Act [*London Drugs Ltd. v. Purepharm Inc.* (2006), 54 CPR (4th) 87 (TMOB); *Ricard v. Molson Canada 2005* (2007), 60 CPR (4th) 338 (TMOB)].

[12] Section 50(1) of the Act requires the owner of a trade-mark to have direct or indirect control of the character or quality of the wares or services in order for the use of the trade-mark by the licensee to be deemed to be use by the owner. Corporate structure alone is insufficient to establish the existence of a license within the meaning of s. 50(1) of the Act [see *London Drugs Ltd., supra*, and *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 CPR (3d) 245 (TMOB)], however, section 50(1) of the Act does not require a written agreement and there is authority for inferring a license from the facts provided [see *Taylor v. Matthew McAvan Enterprises Ltd.* (2004), 38 CPR (4th) 284 (TMOB)]. Furthermore, evidence of control by the owner can support the existence of an implied license agreement [see *Wells’ Dairy Inc. v. UL Canada Inc.* (2000), 7 CPR (4th) 77 (FCTD)].

[13] At this point, I note that the Requesting Party objected to the Registrant alleging certain facts in this respect in its written representations, as they were not in evidence in this proceeding;

accordingly, I have disregarded such representations [see *Ridout & Maybee LLP v. Encore Marketing International Inc.* (2009), 72 CPR (4th) 204 (TMOB)].

[14] In the present case, however, it is possible to infer from the evidence furnished that the Registrant did exercise control over the character and quality of the services provided by CWTC. The 2005 license agreement includes clear indices of control generally by the Registrant over CWTC. I note, for example, that the Preamble to the license agreement includes the statement that the "...Licensor has direct control over Licensee" and there are other provisions that clearly indicate that the Registrant has control over the advertising and performance of CWTC's services. In any event, although it did not explicitly cover the subject Marks, the agreement did cover other trade-marks that were used concurrently during the Relevant Period for the same services and accordingly I am prepared to conclude that such control encompassed the subject Marks.

[15] Although, as noted by the Requesting Party, other provisions suggest that the written license agreement contains the entire understanding between the parties, I consider any such inconsistency between that and the clear evidence of control as not being determinative of the licensing issue. The purpose of s. 50(1) has been satisfied in this case and given the summary nature and intent of section 45 proceedings, any alleged deficiencies in the written license agreement should not be fatal to the subject registrations [see *Baume & Mercier S.A. v. Brown Carrying On Business As Circle Import* (1985), 4 CPR (3d) 96 (FCTD)].

[16] Accordingly, based on the totality of the evidence before me, I find it reasonable to conclude that the demonstrated use of the Marks by CWTC during the Relevant Period enures to the benefit of the Registrant.

Conclusion

[17] Accordingly, in view of all of the foregoing, I am satisfied that the Registrant has evidenced use of the Marks in Canada in association with the respective services as registered within the meaning of s. 45 and s. 4(2) of the Act.

[18] Pursuant to the authority delegated to me under s. 63(3) of the Act, registration Nos. TMA513,677 and TMA566,701 will be maintained in compliance with the provisions of s. 45 of the Act.

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