



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

**Citation: 2016 TMOB 43**  
**Date of Decision: 2016-03-18**

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

**Smart & Biggar**

**Requesting Party**

**and**

**Kraft Foods Group Brands LLC**

**Registered Owner**

**TMA137,220 for PHILLY**

**Registration**

[1] At the request of Smart & Biggar, the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on February 27, 2014 to Kraft Food Group Brands LLC (the Owner), the registered owner of registration No. TM137,220 for the trade-mark PHILLY (the Mark).

[2] The Mark is registered in association with the following goods:

(1) Cream Cheese.

(2) Jams, margarine, citrus, mustard, shortening, condiment sauces, candy, packaged entrees consisting of pasta and sauce mix, peanut butter, honey, ketchup, salad oil, spaghetti sauces, marshmallows and salad dressings.

[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 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 such use since that date. In this case, the relevant period for showing use is between February 27, 2011 and February 27, 2014.

[4] The relevant definition of “use” is set out in section 4(1) of the Act as follows:

4(1) A trade-mark 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 whom the property or possession is transferred.

[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 section 45 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 goods specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Daniel D’Alessandro, sworn on September 26, 2014 in Toronto, Ontario. Both parties filed written representations; an oral hearing was not requested.

#### The Owner’s Evidence

[7] In his affidavit, Mr. D’Alessandro identifies himself as a Vice President with Kraft Canada Inc. He explains that Kraft Canada is a subsidiary of the Owner, which was licensed to use the Mark prior to and throughout the relevant period.

[8] Mr. D’Alessandro attests that, during the relevant period, Kraft Canada sold PHILLY-branded products to Canadians through retail channels, including retail grocery stores. In particular, he attests that the Mark was displayed on packaging of PHILADELPHIA cream cheese products, sales of which amounted to more than \$1 million each year of the relevant period.

[9] In addition to the Mark appearing on product packaging, Mr. D'Alessandro attests that the Mark was displayed on point-of-sale materials appearing in more than 1800 stores across Canada during the relevant period.

[10] In support, attached to Mr. D'Alessandro's affidavit are the following exhibits:

- Exhibit B consists of four packages of various flavours of 250 gram cream cheese “bricks”, which Mr. D'Alessandro attests demonstrate how the Mark was used during the relevant period. The cream cheese products are primarily identified with the trade-mark PHILADELPHIA, but the packaging also displays the Mark as part of the following slogan: “Why trust your cheesecake to anyone but PHILLY!” As noted by Mr. D'Alessandro, the word PHILLY is distinguished from the surrounding text through bold font and capitalized letters.
- Exhibit C consists of samples of the aforementioned point-of-sale materials, which include materials that Mr. D'Alessandro identifies as “shelf talkers”. One of the exhibited shelf talkers is an advertisement for PHILADELPHIA shredded cheese; the slogan “a touch of PHILLY” appears above an image of the product. Mr. D'Alessandro explains that this product launched on January 20, 2014, and that the shelf talkers appeared in more than 1800 stores across Canada.
- Exhibit D consists of an example of in-store signage that Mr. D'Alessandro attests accompanied in-store sampling campaigns during the relevant period. The Mark appears on the signage.
- Exhibit E consists of three invoices from the relevant period. Mr. D'Alessandro attests that these invoices show sales of PHILADELPHIA cream cheese products by Kraft Canada to Canadian retail grocery stores. While the Mark is not displayed on the invoices, Mr. D'Alessandro attests that the invoices are representative of the sale of PHILADELPHIA cream cheese products featuring the Mark during the relevant period. Consistent with Exhibit A, some of the items appearing on the invoices appear to be for various flavours of 250 gram cream cheese products.

- Finally, Mr. D'Alessandro attaches examples of further advertising materials that he attests were used during the relevant period, such as print advertisements (Exhibit F), billboard advertisements (Exhibit G), internet advertisements (Exhibit H), and social media advertising (Exhibit K), all of which feature the Mark.

### *Licensing*

[11] In its written representations, the Requesting Party submits there is no evidence that the Owner exercised control over use of the Mark by Kraft Canada during the relevant period. In particular, the Requesting Party points to paragraph 10 of Mr. D'Alessandro's affidavit, as follows:

10. Kraft Foods Group Brands LLC, maintains control over all use of the PHILLY Mark by Kraft Canada by, for example, reviewing all packaging and advertising that features the Mark, and by regularly inspecting the quality of all products sold in Canada that feature the Mark. (emphasis added by the Requesting Party)

[12] The Requesting Party argues that Mr. D'Alessandro's use of the present tense "maintains" is such that the Owner has failed to furnish evidence of control during the relevant period [citing as support *Riches, McKenzie & Herbert LLP v D'Amour Bicycles & Sport Inc*, 2014 TMOB 146, CarswellNat 1739].

[13] In reply, the Owner asserts that it is well established that filing a copy of a license agreement is not mandatory in a section 45 proceeding, provided the evidence establishes that the registered owner had control over the character and quality of the goods bearing the trademark during the relevant period. The Owner submits that Mr. D'Alessandro's statements discharge this obligation and satisfy the requirements of section 50 [citing as support *Federated Department Stores Inc v John Forsyth Co* (2000), 10 CPR (4th) 571 (TMOB)].

[14] As stated by the Federal Court, 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 license agreement that provides the requisite control [per *Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248 at paragraph 84]. Applied to the present case, I

agree with the Owner that Mr. D'Alessandro's statement attesting to the Owner's control over Kraft Canada is sufficient for purposes of section 50 of the Act.

[15] In this respect, although Mr. D'Alessandro could have been more precise in his affidavit, use of the present tense must be considered with the evidence as a whole [see *Smart & Biggar v Anthony Tesselaar Plants Pty Ltd*, 2010 TMOB 120, CarswellNat 3520; *WRH Marketing AG v Conros Corporation*, 2010 TMOB 47, CarswellNat 1908; *Cassels Brock & Blackwell LLP v Sweet Creations Inc*, 2015 TMOB 27, CarswellNat 1400]. Read in context, nothing in the evidence is inconsistent with the interpretation that Mr. D'Alessandro's statements regarding licensing and control are also with respect to the relevant period. As such, it is reasonable to conclude that the "present tense" statements are with respect to the Owner's normal course of trade generally, including during the relevant period.

[16] Consequently, I am satisfied that any demonstrated use of the Mark by Kraft Canada constitutes licensed use enuring to the benefit of the Owner.

#### *Evidence of Use – Goods (2)*

[17] In its representations, the Requesting Party submits that the Owner has not shown use of the Mark during the relevant period with respect to goods (2), being "Jams, margarine, citrus, mustard, shortening, condiment sauces, candy, packaged entrees consisting of pasta and sauce mix, peanut butter, honey, ketchup, salad oil, spaghetti sauces, marshmallows and salad dressings". Indeed, I note that Mr. D'Alessandro's affidavit is silent with respect to such goods.

[18] In this respect, Mr. D'Alessandro does not make a clear assertion of use of the Mark in association with goods (2), and the exhibits only reference various cream cheese products.

[19] As such, I am not satisfied that the Owner has demonstrated use of the Mark in association with any of goods (2) within the meaning of sections 4 and 45 of the Act. Furthermore, the Owner furnished no evidence of special circumstances excusing non-use of the Mark in association with such goods.

[20] Accordingly, the registration will be amended to delete goods (2) in its entirety.

*Evidence of Use - Goods (1)*

[21] With respect to goods (1), “cream cheese”, Mr. D’Alessandro does make a clear assertion of use and provides evidence of the manner of display of the Mark on packaged cream cheese products during the relevant period.

[22] With respect to transfers of such goods, Mr. D’Alessandro attests to significant sales and provides representative invoices showing sales in Canada during the relevant period.

[23] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the goods “cream cheese” within the meaning of sections 4 and 45 of the Act.

Disposition

[24] Accordingly, pursuant to the authority delegated to me under section 63(3) and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete goods (2).

[25] The amended statement of goods will be as follows: “Cream cheese”.

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

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE:** No Hearing Held

**AGENT(S) OF RECORD**

Bereskin & Parr LLP

For the Registered Owner

Smart & Biggar

For the Requesting Party