



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

Citation: 2016 TMOB 34
Date of Decision: 2016-02-26

IN THE MATTER OF SECTION 45 PROCEEDINGS

Building Materials Investment Corporation **Requesting Party**

and

Stipsits Holdings Corp. **Registered Owner**

TMA713,514 for QUICKSTART **Registrations**
TMA713,515 for QUICKSTART HOMES

[1] At the request of Building Materials Investment Corporation (the Requesting Party), the Registrar of Trade-marks issued notices under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on November 28, 2013 to Stipsits Holdings Corp. (the Owner), the registered owner of registration No. TMA713,514 for the trade-mark QUICKSTART and registration No. TMA713,515 for the trade-mark QUICKSTART HOMES (the Marks).

[2] The Marks are both registered for use in association with goods, as follows:
“Construction of structurally complete homes lacking interior finishing which can be customized by the buyer.”

[3] The notices required the Owner to furnish evidence showing that the Marks were used in Canada, in association with the goods specified in the registrations, at any time between November 28, 2010 and November 28, 2013. If the Marks had not been so used, the Owner was required to furnish evidence providing the date when the Marks were last used and the reasons for the absence of use since that date.

[4] The definition of “use” is set out in section 4 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 to whom the property or possession is transferred.

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.

4(3) A trade-mark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

[5] In this case, for the reasons discussed below, the definition of “use” pursuant to section 4(1) of the Act appears to be applicable.

[6] 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-marks in association with the goods specified in the registrations during the relevant period.

[7] In response to the Registrar’s notices, the Owner furnished affidavits of Andrea Peckart, both sworn on June 27, 2014 in Burlington, Ontario. Both parties filed written representations and were represented at a hearing held on December 9, 2015.

Goods or Services

[8] As a preliminary matter, I note that although the Marks are registered in association with *goods*, the statement in each case appears to be phrased as a service, namely “*construction of structurally complete homes lacking interior finishing which can be customized by the buyer*” (emphasis added).

[9] Accordingly, and as discussed in the parties' representations, it is necessary to determine whether the registrations should be treated as registrations for goods or services.

[10] First, as noted by the Federal Court of Appeal in *Ridout & Maybee LLP v Omega SA*, 2005 FCA 306, 43 CPR (4th) 18, the validity of the registration is not in dispute in section 45 proceedings. Moreover, section 45 proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark [per *United Grain Growers v Lang Michener*, 2001 FCA 66, 12 CPR (4th) 89].

[11] In this case, I note that the entire registration history for both registrations refers to *goods*, and the Marks were ultimately advertised and registered in association with goods. As such, I consider it necessary to treat the statement in each case as a statement of goods. In other words, it is necessary in these proceedings to determine whether the evidence shows that the Marks were used in association with the goods, being “structurally complete homes ...”, rather than for the services of “construction of structurally complete homes ...”

[12] In its written representations, the Owner submitted that, in the alternative, it requests the ability to amend the registrations “to change the designation of wares to services”. The Owner ultimately withdrew this request at the oral hearing; indeed, such a change appears to be beyond the scope of a section 45 proceeding.

[13] In this respect, although the Owner did not speak to the authority for allowing an amendment to change the designation of a statement in a registration from goods to services (or *vice versa*), at the oral hearing, the Requesting Party referred to particular portions of section 41 of the Act, namely:

41(1) The Registrar may, on application by the registered owner of a trade-mark made in the prescribed manner, make any of the following amendments to the register:

...

(c) amend the statement of the goods or services in respect of which the trade-mark is registered;

...

41(2) An application to extend the statement of goods or services in respect of which a trade-mark is registered has the effect of an application for registration of the trade-mark in respect of the goods or services specified in the application for amendment.

[14] The Requesting Party submitted that section 41 of the Act only provides for changes made to the content of a statement of goods and services. Although changing the designation of the statement in the registration from goods to services would appear to be a simple solution from the Owner's perspective, I agree with the Requesting Party that such a change would necessarily need be treated as an application to extend the statement of goods or services, as set out in section 41(2) of the Act. Otherwise, as noted by the Requesting Party, changing the designation of the statements in the subject registrations from "goods" to "services" without proper opposition proceedings would potentially put the Requesting Party and third parties, such as the Owner's competitors, at an unfair disadvantage.

[15] In any event, I note that, pursuant to section 57 of the Act, the Federal Court has "exclusive original jurisdiction" to order an amendment to the register if "at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark".

[16] Accordingly, despite the phrasing of the statements in the subject registrations, it would not be appropriate to consider the Marks as being registered in association with services. Therefore, for purposes of these proceedings, it is necessary to treat the statement in each case as a statement of goods.

Evidence for Registration No. TMA713,514 (QUICKSTART)

[17] In her affidavit with respect to QUICKSTART, Ms. Peckart attests that she is the General Manager of Branthaven Homes, which she identifies as a licensee of the Owner.

[18] Ms. Peckart's affidavit is brief and lacks a clear description of the Owner's normal course of trade. As discussed below, Ms. Peckart provides some advertising materials displaying the QUICKSTART mark, but provides little context regarding their significance or distribution, leaving the exhibits to speak for themselves. However, from these materials, it would appear that Branthaven Homes is a constructor of homes, and that the QUICKSTART mark is displayed in association with particular features of Branthaven's homes.

[19] Ms. Peckart does attest that the Owner “maintains, either directly or through its licensee, a website at *www.branthaven.com*”. She states that the website has “referenced” the QUICKSTART mark since June 19, 2012.

[20] Attached to Ms. Peckart’s affidavit are the following exhibits:

- Exhibit A is a printout from the “QUICKSTART HOMES” page located at *www.branthaven.com/quickstart-homes*. I note that “QUICKSTART™ HOMES” and “QUICKSTART™” are displayed throughout the exhibited webpage. I also note that the webpage was printed on June 28, 2014, which is after the relevant period; Ms. Peckart provides no information on whether the page reflects the appearance of the website during the relevant period.
- Exhibit B is a portion of a flyer, which Ms. Peckart attests has been “provided to potential purchasers of the services offered by the Owner’s licensee at the Fairgrounds residential subdivision since at least 2011”. The flyer shows property availabilities for “early occupancy” in Binbrook, Ontario. The QUICKSTART mark is prominently displayed above the phrase, “A new way to get into your home faster”.
- Exhibit C is a page from what Ms. Peckart describes as a “multi-site handout”, which she attests was “distributed to potential purchasers of the services offered by the Owner’s licensee” since October 2013. Although Ms. Peckart describes the “foot” of the handout as referencing the QUICKSTART mark, I note that the bottom of the furnished handout appears to be cut off; as such, the QUICKSTART mark does not appear on the exhibit at all.
- Exhibit D is a print advertisement that Ms. Peckart simply states is “an advertisement containing QUICKSTART which was first circulated in 2011”. The advertisement itself refers to “a Branthaven master-planned community of ... lakeside townhomes in Grimsby”, Ontario. I note that the QUICKSTART mark appears in a highlights section on the advertisement, describing certain “QuickStart features” of the homes.

Evidence for Registration No. TMA713,515 (QUICKSTART HOMES)

[21] With respect to the QUICKSTART HOMES mark, Ms. Peckart's affidavit is even briefer, with the substantive portion being only one paragraph. As above, Ms. Peckart attests that the Owner "maintains, either directly or through its licensee, a website at *www.branthaven.com*", which has "referenced" the QUICKSTART HOMES mark since June 19, 2012. She attaches, as Exhibit A, the same printout from the "QUICKSTART HOMES" page located at *www.branthaven.com/quickstart-homes*. As mentioned above, "QUICKSTARTTM HOMES" and "QUICKSTARTTM" are displayed throughout the webpage.

Analysis – Licensed Use of the Marks

[22] In its written representations, the Requesting Party submits that there is no indication in the evidence that the Owner had direct or indirect control over the character or quality of the goods that the named licensee, Branthaven Homes, constructs or sells in association with the Marks. Absent sufficient evidence of control, the Requesting Party submits that any alleged use of the Marks does not enure to the benefit of the Owner pursuant to section 50 of the Act.

[23] The Owner, on the other hand, submits that Ms. Peckart specifically states in her affidavits that use of the Marks was through a website which the Owner "maintained, either directly or through its licensee". The Owner therefore submits that it has provided sufficient evidence to show that it had the requisite control over the licensee's use of the Marks.

[24] The Federal Court has stated that there are three main methods by which a trade-mark 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 for the requisite control [*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248 at para 84].

[25] Here, I agree with the Requesting Party that Ms. Peckart's affidavits could have provided more details with respect to the relationship between the Owner and Branthaven Homes. Although Ms. Peckart identifies Branthaven Homes as a licensee of the Owner, the issue is whether the Owner directly or indirectly controlled the character or quality of the registered

goods, namely the “structurally complete homes”, and not whether the Owner “maintained” control over the website on which the Marks appeared.

[26] In any event, the real issue in this case is whether the Owner has provided evidence of transfers in the normal course of trade as required by section 4(1) of the Act.

Analysis – Transfers of Goods

[27] In its written representations, the Requesting Party submits that “there is no evidence, of any nature, that homes have been sold or transferred during the relevant period in association with the [Marks]”. In this respect, the Requesting Party submits that Ms. Peckart’s affidavits do not include invoices or details respecting the distribution of the exhibited advertising materials. In particular, it notes that there is no evidence that the exhibited advertising materials were distributed “in association with the transfer of title or possession of the homes.”

[28] The Owner, on the other hand, submits that “the website clearly contains homes for sale” such that it is “advertising the sale of homes as well as the construction of homes”. The Owner further submits that “in today’s e-commerce world ... sale of a ware on a website can satisfy section 4(1) of the Act” in that “the website is so associated with the wares” such that the requisite notice of association has been given. Moreover, the Owner submits that since a home cannot be packaged or labelled, the Marks must be “placed on other media such as flyers and handouts at the site where the homes are constructed and sold”.

[29] In this case, I agree with the Requesting Party that there is no evidence of sales or transfers of the registered goods in Canada during the relevant period. Although invoices are not mandatory in order to satisfactorily reply to a section 45 notice [*Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)], some evidence of transfers in the normal course of trade in Canada during the relevant period is necessary [see *Gowling, Strathy & Henderson v Royal Bank of Canada* (1995), 63 CPR (3d) 322 (FCTD)].

[30] By way of example, in the absence of invoices, such evidence can include statements regarding volumes of sales, dollar value of sales, or equivalent factual particulars [see, for example, *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79, CarswellNat 2439; and

Gowling Lafleur Henderson LLP v Wertex Hosiery Incorporated, 2014 TMOB 193, CarswellNat 4624].

[31] Ms. Peckart, however, does not furnish any sales figures nor does she attest to any sales during the relevant period in Canada or otherwise. In fact, Ms. Peckart does not even make a clear assertion of use of the Marks in association with the goods or otherwise. Instead, she simply attests that the exhibited webpage and advertising materials “reference” the Marks.

[32] In any event, while advertisements may have been posted to the Owner’s website, the Owner furnished no evidence to demonstrate that Canadians accessed the website during the relevant period. As well, the Owner furnished no evidence to demonstrate that the website was part of the purchasing process for Branthaven Homes.

[33] Moreover, although the Owner submits that the exhibited advertising materials were distributed to Canadians at the site where the homes were constructed, it has previously been held that “offering for sale” is not the same as “selling” [see *Michaels & Associates v WL Smith & Associates Ltd* (2006), 51 CPR (4th) 303 (TMOB)]. As noted by the Requesting Party, generally, use of a trade-mark cannot be established through the mere advertising or distribution of promotional materials concerning the goods [see *Gowling & Henderson v John Morton Ltd* (1992), 47 CPR (3d) 268 (TMOB); *Tint King of California Inc v Canada (Registrar of Trade-marks)*, 2006 FC 1440, 56 CPR (4th) 223]. Here, there is no evidence of transfers of “structurally complete homes” in association with the Mark or otherwise, and given the lack of detail in Ms. Peckart’s affidavit regarding the Owner’s normal course of trade, I am not prepared to make any inferences favourable to the Owner in this respect.

[34] In view of all of the foregoing, I cannot conclude that the Owner has demonstrated use of the Marks during the relevant period in association with the registered goods within the meaning of sections 4 and 45 of the Act. Furthermore, no evidence of special circumstances excusing such non-use is before me.

Disposition for Registration No. TMA713,514 (QUICKSTART)

[35] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, registration No. TMA713,514 will be expunged.

Disposition for Registration No. TMA713,515 (QUICKSTART HOMES)

[36] Pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, registration No. TMA713,515 will be expunged.

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**

HEARING DATE: 2015-12-09

APPEARANCES

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AGENTS OF RECORD

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