



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

**Citation: 2015 TMOB 187**  
**Date of Decision: 2015-10-26**

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

<b>Allianz Asset Management of America L.P.</b>	<b>Requesting Party</b>
<b>and</b>	
<b>Middlefield Capital Corporation</b>	<b>Registered Owner</b>
<b>TMA641,142 for PATHFINDER INCOME FUND &amp; Design</b>	<b>Registration</b>

[1] At the request of Allianz Asset Management of America L.P. (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 August 15, 2013 to Middlefield Capital Corporation (the Owner), the registered owner of registration No. TMA641,142 for the trade-mark PATHFINDER INCOME FUND & Design (the Mark), shown below:



[2] The Mark is registered for use in association with the following services:

Financial and investment services, namely creation and management of investment funds and assets on behalf of financial institutions, corporations and individuals and the provision of financial and investment advisory services in the areas of creation and structuring of investment vehicles, the completion of offerings to investors, and the identification, selection and monitoring of suitable investments.

[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 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 is between August 15, 2010 and August 15, 2013.

[4] The definition of “use” in association with 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 the purpose and scope of section 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 [*Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448, 31 CPR (4th) 270].

[6] In response to the notice, the Owner furnished the affidavit of Dean Orrico, sworn on February 28, 2014 in Toronto, Ontario. Both parties filed written representations; an oral hearing was not requested.

#### Owner’s Evidence

[7] In his affidavit, Mr. Orrico identifies himself as the President and Chief Executive Officer of the Owner and explains that the Owner is known in the marketplace as “Middlefield” or “Middlefield Group”.

[8] Mr. Orrico explains that the Owner works with related corporate entities, Middlefield Limited and MFL Management Limited (MFL), to manage investment funds and assets on behalf of a wide range of Canadian and international financial institutions, corporations and individuals. He attests that the Owner and its affiliates have “several billions of dollars of assets under management”, focused in three areas: i) equity and fixed income; ii) oil and gas and mining; and iii) real estate.

[9] Mr. Orrico confirms that the Owner and Middlefield Limited are both wholly-owned subsidiaries of MFL, and that many of the officers and directors of the Owner acted as officers and directors of MFL during the relevant period. He characterizes the operations of MFL and Middlefield Limited as “behind the scenes” and “administrative and operational in nature”, with the Owner being “the public face” of the various managed funds.

[10] More specifically, Mr. Orrico attests that the Owner provides the registered services in connection with a closed-end investment fund listed on the Toronto Stock Exchange called the “Pathfinder Convertible Debenture Fund” (the Fund).

[11] Mr. Orrico does not assert use of the Mark as registered. Rather, Mr. Orrico attests that, during the relevant period, the Owner used the trade-mark depicted below in association with the registered services (hereafter referred to as the CD Mark):



[12] As noted by Mr. Orrico, this CD Mark differs from the registered Mark in that the words CONVERTIBLE DEBENTURE replace INCOME.

[13] Mr. Orrico attests that the Owner’s services “have been extensively advertised in Canadian newspapers and periodical publications” and that the Owner expended over \$100,000 during the relevant period to promote the Owner’s services in association with the CD Mark.

[14] In support of his assertion of use, Mr. Orrico attaches the following exhibits to his affidavit:

- Exhibit 2 consists of a webpage printout from the Owner’s website, *www.middlefield.com*. The page describes the Owner’s business and identifies various funds managed by the Owner, including the Fund.

- Exhibit 3 consists of five pages from the Owner’s website, describing the attributes, objectives, and strategy of the Fund. Although the CD Mark does not appear, the heading “PATHFINDER Convertible Debenture Fund” is displayed on each page. The Owner is described as the advisor for the trust’s portfolio, providing “a variety of financial services including investment management, corporate finance, merchant banking, mergers and acquisitions, and advisory and security placement services.”
- Exhibit 4 consists of a “Fact Sheet” regarding the Fund dated March 31, 2013. The CD Mark appears at the top of the page. I note that the fact sheet indicates that the Fund’s inception was on November 20, 2009. Mr. Orrico attests that a similar fact sheet appeared on the Owner’s website throughout the relevant period. At the bottom of the fact sheet, the “Middlefield Group” is identified as “Advisor to the Fund”, along with its business contact information. Mr. Orrico confirms that these fact sheets were distributed by the Owner to the media, clients and potential clients in Canada by various means during the relevant period to advertise and promote the Owner’s services.
- Exhibit 5 consists of seven press releases regarding the Fund, dating from October 7, 2010 to April 18, 2013. The CD Mark appears by itself at the top of each press release. Language in each press release indicates that the press releases were issued by the Owner; for example, some of the press releases include business contact information for the “Middlefield Group” and invite readers to visit the Owner’s website for more information. Again, Mr. Orrico confirms that these press releases were widely distributed in Canada during the relevant period.
- Exhibit 6 is a two-page advertisement that Mr. Orrico attests appeared in a periodical publication directed at Canadian financial advisors during the relevant period. The advertisement describes the Owner as “a creator and manager of unique investment products” and highlights six funds, including the Fund. The CD Mark appears in the section advertising the Fund.

[15] With respect to performance of the registered services, Mr. Orrico states that, during the relevant period, sales of the Owner’s services in association with the CD Mark were between \$700,000 and \$900,000 annually.

## Analysis

[16] As a preliminary matter, I note that, in its written representations, the Requesting Party acknowledges that Mr. Orrico attests that the Owner's affiliates were licensed by the Owner to use the CD Mark and that the Owner maintained direct and indirect control of the character and quality of the services provided. However, the Requesting Party asserts that "no evidence supporting this claim is provided".

[17] As stated by the Federal Court, 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 paragraph 84].

[18] In this case, Mr. Orrico clearly attests to the requisite control and adequately explains the relationship between the Owner and its affiliates. For purposes of this proceeding, that is all that is required to satisfy section 50(1) of the Act. I further accept that references to the "Middlefield Group" throughout the evidence are to the Owner and its affiliates. As such, I am satisfied that any demonstrated use of the CD Mark enures to the benefit of the Owner.

### *Deviation from the Mark as registered*

[19] As noted above, at best the evidence shows use of the CD Mark rather than the Mark as registered. The Requesting Party submits that the modification of the text to replace INCOME FUND with CONVERTIBLE DEBENTURE FUND substantially alters the dominant features of the Mark visually, phonetically and in the idea suggested. In this respect, it submits that the INCOME FUND element is "essential" and would "immediately impart a specific impression on consumers encountering the mark."

[20] The Requesting Party further notes that the Owner furnished no evidence that "the average consumer would perceive the altered word elements of [the Mark] as being merely laudatory or descriptive", and no evidence that the PATHFINDER design element "is used as

part of a family of services, such that the average consumer would perceive [the CD Mark] branded services as originating from the same source as [the Mark] branded services.”

[21] Furthermore, the Requesting Party notes that the Owner has submitted an application for the CD Mark in association with the same registered services, suggesting that the Owner has apparently acknowledged “significance of the difference” between the Mark and CD Mark.

[22] The Owner, however, submits that the dominant features of the Mark have not changed, and that the replacement of INCOME with CONVERTIBLE DEBENTURE is an “unimportant” change to descriptive elements of the Mark. In this respect, the Owner notes that, with respect to the Mark, “INCOME FUND” has been disclaimed in the registration. Further, it submits that the evidence shows that CONVERTIBLE DEBENTURE FUND is clearly descriptive of the Fund in association with the services provided and that the exhibits repeatedly refer to “convertible debentures” in a generic sense as a type of financial instrument.

[23] First, I note that any other trade-mark registrations or applications are irrelevant to the current proceeding. Rather, the test for deviation, as articulated by the Federal Court of Appeal, is as follows:

The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin. [*Canada (Registrar of Trade-marks) v Compagnie Internationale pour l’informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA) at 525]

[24] As the Court of Appeal noted, “That question must be answered in the negative unless the mark was used in such a way that the mark did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used.” [at 525]

[25] Although both parties put varying degrees of emphasis on whether a hypothetical consumer would be misled as to the source of the services, the Federal Court of Appeal has stated that, in deciding the issue of deviation, one must look to see if the “dominant features” of the trade-mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR

(3d) 59 (FCA)]. The assessment as to which elements are the dominant features and whether the deviation is minor enough so as to permit a finding of use of the trade-mark as registered is a question of fact to be determined on a case-by-case basis.

[26] Applying the jurisprudence to this case, I consider the dominant feature of the registered Mark to be the word PATHFINDER. The text under PATHFINDER – whether it is INCOME FUND or CONVERTIBLE DEBENTURE FUND – is descriptive of the services provided.

[27] I further note that the design element is retained in both the Mark and CD Mark. As such, I consider the replacement of INCOME with CONVERTIBLE DEBENTURE to be a minor variation in the context of the services offered. While there may be a technical difference between a “convertible debenture fund” and an “income fund”, the dominant feature of the registered Mark, being the word PATHFINDER, is retained along with the particular design element. As such, I consider display of the CD Mark in the evidence to constitute display of the registered Mark for purposes of this proceeding.

*Evidence of use with respect to each service*

[28] The Requesting Party submits that, even if use of the CD Mark is considered use of the Mark as registered, the Owner has not provided evidence of use with respect to each of the registered services in accordance with section 4(2) of the Act.

[29] In this respect, the registered services can be broken down into, essentially, two services, with the second service having three aspects: first, *creation and management* of investment funds and assets on behalf of financial institutions, corporations and individuals; and second, *advisory services* in the areas of: (i) creation and structuring of investment vehicles; (ii) the completion of offerings to investors; and (iii) the identification, selection and monitoring of suitable investments.

[30] I would first note that services are to be interpreted broadly and that the Registrar has held that, in certain cases, a statement of services may contain overlapping and redundant terms such that the performance of one service necessarily implies the performance of another [see *Gowling Lafleur Henderson LLP v Key Publishers Company Ltd*, 2010 TMOB 7 at paragraph 15].

[31] In any event, with respect to the first service, I note that one of the exhibited press releases (dated August 15, 2012) advertises that “Middlefield Group creates and manages specialized investment products for individual and institutional investors and has assets under management of approximately \$3 billion.” The press release is titled ‘Pathfinder Convertible Debenture Fund Announces Treasury Offering’ and the CD Mark is prominently displayed by itself at the top of the page. Additionally, the exhibits refer to management of the Fund by the Owner, with the exhibited fact sheet specifically referring to the Owner’s management fee. As such, I accept that this constitutes advertisement of “creation and management of investment funds and assets” in association with the CD Mark.

[32] With respect to the second service, the Requesting Party concedes that the Owner is referred to as “the Advisor” in relation to the Fund. However, the Requesting Party denies that the evidence establishes that the Owner provides “advisory services” with respect to each of the aforementioned three aspects. I also note that the exhibited fact sheet identifies the “inception” date of the Fund as November 20, 2009, prior to the relevant period.

[33] However, I accept that the first service “creation and management of investment funds and assets” necessarily overlaps to some degree with the first aspect of the second service, “creation and structuring of investment vehicles”. Furthermore, notwithstanding the “inception” date of the fund, the CD Mark appears prominently by itself at the top of the exhibited press releases. As such, I accept that the press releases general references to the Owner’s creation and management of investment products also constitutes the advertisement of “financial and investment advisory services” services in the area of “creation and structuring of investment vehicles”.

[34] Second, I find that references to the Fund’s “Treasury Offerings” in the exhibited press releases (dated August 15, 2012 and August 31, 2012) qualifies as advertising of advisory services in the area of “completion of offerings to investors” in association with the CD Mark.

[35] Finally, although advisory services with respect to “the identification, selection and monitoring of suitable investments” is not explicitly stated in the exhibits, I note that such services are implicitly advertised throughout the evidence. For example, the exhibited press release dated October 7, 2010 includes a statement that “[the Owner] believes that convertible



debentures represent an appealing investment opportunity” and goes on to provide reasons for that belief. Again, the CD Mark appears by itself prominently at the top of the press release. Furthermore, the exhibited advertisement references the Owner’s management of “unique investment products designed to balance risk and return to meet the demanding requirements of investment advisors and their clients.” While this is a broad statement, in my view, it is sufficient to constitute advertisement of advisory services in the area of “identification, selection and monitoring of suitable investments”.

[36] In view of all of the foregoing, including the aforementioned jurisprudence and the evidence furnished as a whole, I am satisfied that the Owner has demonstrated use of the Mark within the meaning of sections 4(2) and 45 of the Act.

Disposition

[37] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be maintained in compliance with the provisions of section 45 of the Act.

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

Hearing Date: No Hearing Held

Agents of Record

Ridout & Maybee LLP

For the Registered Owner

Sim & McBurney

For the Requesting Party