



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

Citation: 2016 TMOB 79
Date of Decision: 2016-05-27

IN THE MATTER OF A SECTION 45 PROCEEDING

Smart & Biggar

Requesting Party

and

Max Home, LLC

Registered Owner

TMA671,443 for MAX HOME

Registration

[1] At the request of Smart & Biggar (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 May 7, 2014, to Max Home, LLC (the Owner), the registered owner of registration No. TMA671,443 for the trade-mark MAX HOME (the Mark).

[2] The Mark is registered in association with the services “furniture manufacturing” and the following goods: “furniture, namely: upholstered furniture, namely: sofas, love seats, ottomans, chaise lounges, sectional pieces and modular pieces.”

[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 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 is between May 7, 2011 and May 7, 2014.

[4] The relevant definitions of “use” are 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.

[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 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 and services specified in the registration during the relevant period.

[6] With respect to services, where the trade-mark owner is offering and prepared to perform the services in Canada, use of the trade-mark on advertising of those services meets the requirements of section 4(2) of the Act [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[7] In response to the Registrar's notice, the Owner furnished the affidavit of Larry Gentry, Chief Financial Officer of the Owner, sworn on December 1, 2014, in Fulton, Mississippi. Only the Owner filed written representations; a hearing was not requested.

Evidence

[8] In his affidavit, Mr. Gentry attests that the Owner is a Mississippi-based company that manufactures and sells upholstered furniture in the United States and Canada, to retailers such as Hudson Bay Company, The Chesterfield Shop and Mobilia.

[9] With respect to most of the registered goods, Mr. Gentry explains that, throughout the relevant period, the Mark appeared on fabric tabs affixed to the furniture. The exception is with

respect to ottomans, for which Mr. Gentry explains that the Mark appeared on invoices and product warranty cards accompanying the goods at the time of transfer to the retailer.

[10] With respect to sales in Canada, Mr. Gentry states that, during the relevant period, the Owner's gross sales of MAX HOME-branded furniture were in excess of US\$9,770,000.

[11] In support, Mr. Gentry attaches the following exhibits to his affidavit:

- Exhibit A consists of 12 photographs that Mr. Gentry attests are representative of how the Mark appeared on fabric tabs affixed to the Owner's furniture sold during the relevant period. Some of the photographs show furniture items with a small tab attached to the item's frame. Other photographs are close-ups of those tabs. The photographs appear to show the following registered goods: sofas, loveseats and chaise lounges. Some of these items appear to be in the nature of sectional or modular pieces; all are in the nature of "upholstered furniture". Although some of the photographs are of poor quality, I note that the Mark appears prominently on the tabs.
- Exhibit B includes 14 invoices that Mr. Gentry attests are representative of the invoices that accompanied the Owner's goods sold during the relevant period. The invoices are all dated within the relevant period and show sales of various furniture items to Canadian retailers. Also included in the exhibit are order "acknowledgements", corresponding to some of the invoices. The Mark is displayed in design form at the top of each invoice and acknowledgement.

As attested to by Mr. Gentry, each of the registered goods is represented in the invoices, identified by a specific description and item code. For example, the invoice dated May 19, 2011, lists a sofa with the description SOFA and two chaise lounges with the description FLOATING CHAISE and item code FC. The invoice dated March 22, 2012, lists a sectional piece (corner) with the item code COR, a loveseat with the description LOVESEAT and a modular piece (armless sofa) with the item code SAA, among other items. I note in particular that the description OTTOMAN appears on three of the exhibited invoices.

In addition, I note that order details are listed for each furniture item. For example,

“FAB1: AMALFI CAPPUCINO” and “Tag: 0215453FWAZ AL-ALI” are among the details for the listed ottomans.

- Attached as Exhibit C is a photocopy of a product warranty card that Mr. Gentry attests is representative of the warranty cards that accompanied the Owner’s furniture during the relevant period. The Mark appears repeatedly on the card, most prominently in design form on one side of the card, but also as part of the Owner’s website address and trade name.

Analysis - Goods

[12] With respect to the registered goods, Mr. Gentry makes a clear assertion of use of the Mark in association with each good. Furthermore, Mr. Gentry provides evidence showing that the Mark was displayed on the goods themselves and/or on invoices and product warranty cards that Mr. Gentry attests accompanied the goods at the time the goods were transferred in the normal course of trade.

[13] As noted above, the exhibited photographs show how the Mark was displayed on fabric tabs affixed to the goods sold during the relevant period. Aside from ottomans, Mr. Gentry attests that these photographs are representative of how the Mark was displayed on all of the registered goods.

[14] With respect to ottomans, the Owner concedes in its representations that the Mark did not appear on such goods directly. However, Mr. Gentry explains how the Mark was also associated with the registered goods generally – and ottomans specifically – by way of display on invoices and on product warranty cards that accompanied the goods at the time of transfer to retailers.

[15] The Federal Court of Appeal has held that display of a trade-mark at the top of an invoice that accompanies goods at the time of transfer in the normal course of trade may, in some circumstances, constitute use of that trade-mark in association with the goods listed in the invoice [see *Hortilux Schreder BV v Iwasaki Electric Co*, 2012 FCA 321, CarswellNat 4836]. The major consideration remains “whether the trade-mark is being used as a trade-mark in describing the wares contained in the invoice and, as such, whether appropriate notice of such

use is being given to the transferee of the wares” [per *Tint King of California Inc v Canada (Registrar of Trade Marks)*, 2006 FC 1440, 56 CPR (4th) 223 at para 32]. In this respect, it is important to consider the prominence of the trade-mark at the top of the invoice and whether other trade-marks appear on the invoice, either in the body or otherwise [per *Hortilux, supra*, at para 12].

[16] In the present case, I am satisfied that display of the Mark at the top of the Owner’s invoices constitutes display in association with the furniture goods listed in such invoices. In particular, the Mark appears prominently at the top of each invoice and the listed furniture goods are not identified with any other trade-marks. In this respect, even if I were to consider that the “FAB1” and other specification lines include trade-marks, I accept that those lines do not identify furniture brands. Instead, those lines appear to identify particular colours or styles of upholstery fabric and other order details for the MAX HOME furniture items. It is clear that the Owner is selling its own goods, rather than the furniture of third parties.

[17] The foregoing is true for all of the registered goods listed in the invoices, but in particular for the goods “ottomans”.

[18] Accordingly, given Mr. Gentry’s attestation that the invoices accompanied the goods at the time of transfer, I am satisfied that the invoices show use of the Mark in association with each of the registered goods.

[19] With respect to the product warranty cards, it has been held that display of a trade-mark on printed materials that accompany goods at the time of transfer in the normal course of trade may constitute use in association with goods in certain circumstances [see *BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255, 60 CPR (4th) 181]. However, given my conclusions above regarding use of the Mark with respect to the fabric tabs and the exhibited invoices, it is unnecessary to determine whether display of the Mark on the warranty cards in the present case constituted use of the Mark in association with the goods.

[20] Finally, I note that the exhibited invoices show sales of each of the registered goods during the relevant period.

[21] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with each of the registered goods within the meaning of sections 4(1) and 45 of the Act.

Analysis - Services

[22] With respect to the registered services, I first note that Mr. Gentry does not make a clear assertion of use of the Mark in Canada in association with “furniture manufacturing”. Indeed, Mr. Gentry specifically states that his evidence “relates to use of MAX HOME in association with the Wares in Canada”, without mentioning use with respect to any services.

[23] Similarly, although the Owner requests maintenance of the registration in its entirety, I note that the Owner’s written representations focus on section 4(1) and the evidence with respect to the registered goods.

[24] Although Mr. Gentry attests that the Owner “manufactures and sells upholstered furniture in the United States and Canada”, I consider this statement ambiguous as to whether any manufacturing occurs in Canada. Whereas Mr. Gentry provides specific evidence of the Owner *selling* upholstered furniture to customers in Canada, he provides no clear specifics with respect to the Owner’s *manufacturing* activities, in Canada or otherwise. As noted above, Mr. Gentry attests that the Owner is based in Mississippi; indeed, a Fulton, Mississippi address appears on the order acknowledgements, invoices and warranty cards. Nothing in the evidence indicates that the Owner has furniture manufacturing facilities in Canada. If any of the goods listed in the invoices were manufactured in Canada, it would have been a simple matter for the Owner to provide a clear statement to that effect; the Owner has not done so.

[25] Upon review of the evidence as a whole, the inference is that any manufacturing services may actually have been performed only in the United States. At best, it remains unclear whether the Owner manufactured or was prepared to manufacture furniture in Canada during the relevant period.

[26] Accordingly, even if I were to consider display of the Mark on the exhibited order acknowledgements and invoices to be display of the Mark in the advertising and performance of

“furniture manufacturing” services, I am not prepared to conclude that the Owner performed, or was prepared to perform, such manufacturing *in Canada*.

[27] As such, per *Wenward, supra*, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services within the meaning of sections 4(2) and 45 of the Act.

[28] Furthermore, the Owner furnished no evidence of special circumstances excusing non-use of the Mark in association with the registered services.

Disposition

[29] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete the registered services.

[30] The registration will be maintained with respect to the registered goods only.

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: No Hearing Held

AGENT(S) OF RECORD

Gowling WLG (Canada) LLP

For the Registered Owner

Smart & Biggar

For the Requesting Party