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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2019 TMOB 97

Date of Decision: 2019-09-16

IN THE MATTER OF A SECTION 45 PROCEEDING

Haldex AB

Requesting Party

And

Hardex Brake Corp.

Registered Owner

TMA805,218 for HARDEX

Registration

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA805,218 for the trademark HARDEX (the Mark), owned by Hardex Brake Corp.

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

Automotive supplies namely brakes and brake parts namely brake pads, brake shoes, brake linings.

[3] For the reasons that follow, I conclude that the registration ought to be maintained.

INTRODUCTION

[4] At the request of Haldex AB (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on February 21, 2017, to Hardex Brake Corp. (the Owner), the registered owner of the Mark.

[5] The notice required the Owner to show whether the trademark 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 February 21, 2014 to February 21, 2017.

[6] The relevant definition of use for goods in the present case is set out in section 4 of the Act as follows:

4(1) A trademark 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.

[7] It is well established that bare statements that a trademark is in 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 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 trademark in association with *each* of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[8] On November 21, 2017, in response to the Registrar's notice, the Owner furnished the affidavit of Alireza Rasekh, sworn on November 16, 2017. Both parties filed written representations. No oral hearing was requested.

THE OWNER'S EVIDENCE

[9] Mr. Rasekh states that he is the General Manager (Export Office) of the Owner and has been since 2010. He explains that the Owner is a corporation incorporated in British Columbia in 2009. He states that the Owner uses the Mark in association with brakes, brake pads, brake shoes, and brake linings, and did so during the relevant period. He explains that brake pads,

brake shoes, and brake linings are also referred to as brakes in the automotive parts industry.

Mr. Rasekh attaches the following exhibits to his affidavit:

- Exhibit A: Pictures of packaging for brake pads. Mr. Rasekh states that such packaging has been used to ship brake pads to customers within and outside of Canada in the ordinary course of trade during the relevant period. In each case, the packaging bears the word “HARDEX” alongside a graphic image. In one instance, the word HARDEX appears above the words “MADE FOR ALL DRIVING HABITS”; in each other instance, “HARDEX” appears above the words “PREMIUM BRAKES” in the following configuration:



- Exhibit B: a picture of packaging for brake shoes displaying the Mark in the above configuration. Mr. Rasekh states that this packaging was used to ship brake shoes to customers within and outside of Canada in the ordinary course of trade during the relevant period.
- Exhibit C: a picture of a brake lining in shrink wrapping. Both the shrink wrap and the item itself display the Mark in the above configuration. Mr. Rasekh states that brake linings were shipped in this manner to customers within and outside of Canada in the ordinary course of trade during the relevant period.
- Exhibit D: copies of invoices dated August 1, 2014, July 23, 2015, and June 6, 2016, displaying the Mark in the above configuration in the top right corner. The recipients of the invoices are redacted; however, the final page of each invoice reads “FOB VANCOUVER – CANADA”. While the nature of the products being sold is not clear from the invoices, Mr. Rasekh states that the invoices are for brakes, brake pads, brake shoes, and brake linings sold and shipped by the Owner to customers within and outside of Canada in the ordinary course of trade during the relevant period.

ANALYSIS

[10] The Requesting Party raises a number of issues with the Owner’s evidence; namely, that the Owner has not established its normal course of trade, that the trademark shown in its

evidence deviates from the Mark as registered, and that the Owner has not established use of the Mark in association with each of the registered goods. Each of these arguments will be addressed in turn.

Normal Course of Trade

[11] The Requesting Party argues that although Mr. Rasekh's affidavit makes several reference to activities taking place "in the ordinary course of trade", it provides no description of the Owner's normal course of trade, despite Mr. Rasekh's position as general manager of the Owner. As a result, the Requesting Party submits that the Registrar is left to speculate as to the Owner's normal course of trade, and cites the Federal Court decision of *SC Johnson & Son, Inc v Registrar of Trade Marks* (1981), 55 CPR (2d) 34 at 37 for the proposition that it is insufficient for an owner to merely state that it had used its trademark in the normal course of trade.

[12] The Owner argues that the *SC Johnson* case is not relevant to the matter at hand since in that case, the owner furnished no invoices and provided only a statement of use in the normal course of trade that reproduced the language of the Act. By contrast, in the current case, the Owner notes that Mr. Rasekh provided invoices to support his statement that sales were made in the normal course of trade. The Owner cites *Eveready Battery Company, Inc v Les Outillages King Canada Inc*, 2016 TMOB 178, for the proposition that it is sufficient for an owner to merely state that use is in the normal course of trade, without further explanation, where the owner provides invoice evidence in support.

[13] In general, a registered owner must not merely state, but actually show use of its trademark in association with the registered goods "by describing facts from which the Registrar or the Court can form an opinion or can logically infer use within the meaning of section 4" [see *Guido Berlucchi & C Srl v Brouillette Kosie Prince*, 2007 FC 245 at para 18]. Accordingly, the evidence must include facts demonstrating that sales or transfers of the goods occurred in the normal course of trade.

[14] However, in the context of a section 45 proceeding, this burden of proof is very light. A registered owner need only establish a *prima facie* case of use. The evidence need not be perfect and the Registrar may draw reasonable inferences from the facts provided [*Diamant Elinor Inc c*

88766 *Canada Inc*, 2010 FC 1184 at paras 8-9; *BCF SENCRL v Spirits International BV*, 2012 FCA 131; see also *Eclipse International Fashions Canada Inc c Shapiro Cohen*, 2005 FCA 64]. Indeed, evidence of a single sale can be sufficient to establish use for the purposes of section 45 expungement proceedings, so long as it follows the pattern of a genuine commercial transaction and is not seen as deliberately manufactured or contrived to protect the registration [see *Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD) at para 12]. In this case, I see nothing in the evidence that leads me to believe that the sales in evidence lacked *bona fides*. The evidence shows a number of sales and is accompanied by Mr. Rasekh's clear sworn statement that these transactions took place in the Owner's ordinary course of trade. For the purposes of this proceeding, this is sufficient to show that the evidenced sales took place in the normal course of trade.

Deviation

[15] The Requesting Party argues that the Owner's photographic evidence does not show use of the Mark, but rather of a composite trademark given that it consistently appears along with additional materials. The Requesting Party acknowledges that factors such as font, size, colour, and the presence of a trademark symbol may be relevant in determining whether a trademark maintains its distinctiveness, but argues that in this case, the fact that the word "Hardex" consistently appears in the form shown above means that consumers would perceive the trademark shown on the packaging and invoices to be Hardex Premium Brakes and design, notwithstanding the fact that the word Hardex appears in a slightly different font, size, colour, and in conjunction with the trademark symbol.

[16] The Owner argues that the Mark has not lost its identity and remains recognizable despite the presence of the design element and the descriptive words "PREMIUM BRAKES", noting that the Mark is larger and more colourful than the other materials. The Owner refers to the cases of *Crash Test Dummy Movie, LLC v Mattel, Inc* (2007), 60 CPR (4th) 47 (TMOB), in which the Registrar found that the dominant features of the CRASH DUMMIES trademark was preserved despite the addition of the descriptive element "incredible", and the case of *Aesus Systems v Sleever International* (2007), 76 CPR (4th) 401 (TMOB), in which the Registrar found that the dominant component was the registered mark SLEEVEVER, despite the additional elements

INTERNATIONAL and a graphic. Similarly, the Owner argues that HARDEX remains the dominant element in this case.

[17] Where the mark as used deviates from the mark as registered, the question to be asked is whether the mark was used in such a way that it 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 [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA) at 525]. In deciding this issue, one must look to see if the “dominant features” have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA) at 59]. Whether the differences between the 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” [*CII Honeywell Bull* at p 525], is a question of fact. Lastly, the use of a trademark in combination with additional words or features constitutes use of the registered mark if the public as a matter of first impression, would perceive the trademark *per se* as being used. This is a question of fact which is dependent on whether the trademark stands out from the additional material, for example by the use of different lettering or sizing or whether the additional material would be perceived as clearly descriptive matter or as a separate trademark or trade name [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB); *88766 Canada Inc v National Cheese Co* (2002), 24 CPR (4th) 410 (TMOB)].

[18] In this case, even though the Mark consistently appears along with additional words and design elements, the word HARDEX is presented in such a significantly larger font and different colour relative to the additional elements that the message conveyed to the public is that the word HARDEX is being used as a trademark on its own. This view is consistent with *Nightingale*, as discussed above. Furthermore, notwithstanding the addition of the design element and descriptive language, the Mark is being used in such a way that it has not lost its identity and remains recognizable, as the dominant feature of the Mark, being the word HARDEX, has been preserved [per *CII Honeywell Bull* and *Promafil*]. Consequently, I accept that use of the registered Mark has been shown.

Use with each of registered goods

[19] The Requesting Party argues that the Owner's invoice evidence does not show that brakes, brake pads, brake shoes, and brake linings were sold or shipped, as the invoices do not refer to any of these goods. Further, the Requesting Party argues that Mr. Rasekh does not explain whether the items described on the invoices refer to any of the registered goods. Additionally, the Requesting Party argues that the redactions to the invoices mean that they cannot support either sale in Canada or export from Canada.

[20] The Owner argues that Exhibits A to C to Mr. Rasekh's affidavit show that the Owner sold brake pads, brake shoes, and brake linings, respectively, in association with the Mark, noting that Mr. Rasekh, who has knowledge of the sales reflected in the invoices, has sworn that the invoices are for sales of brakes, brake pads, brake shoes, and brake linings. I agree. Absent evidence to the contrary, an affiant's sworn statement is to be accepted at face value, and statements in an affidavit must be accorded substantial credibility in a section 45 proceeding [*Oyen Wiggs Green & Mutala LLP v Atari Interactive, Inc*, 2018 TMOB 79 at para 25]. It is the evidence as a whole that must be considered; dissection of an affidavit in an overly technical manner is inconsistent with the purpose of section 45 proceedings. Thus, considering the invoice evidence together with Mr. Rasekh's affidavit and the other exhibits showing how the Mark was displayed on the packaging of each of the registered goods, I accept that the Owner sold each of the relevant goods in association with the Mark in Canada in the normal course of trade during the relevant period.

[21] As such, I find that the Owner's evidence establishes use of the Mark in association with the registered goods within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[22] 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.

G.M. Melchin
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held

AGENTS OF RECORD

Cameron IP

For the Registered Owner

Hicks Intellectual Property Law

For the Requesting Party