



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2019 TMOB 110
Date of Decision: 2019-10-10

IN THE MATTER OF A SECTION 45 PROCEEDING

Ridout & Maybee LLP

Requesting Party

and

Apple Inc.

Registered Owner

TMA534,646 for SHERLOCK

Registration

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA534,646 for the trademark SHERLOCK (the Mark), owned by Apple Inc.

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

Computer software that utilizes multiple search engines to search global communication networks and provides results ranked by relevance, with summaries, and searches hard disks by content as well as by file name.

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

THE PROCEEDINGS

[4] On April 18, 2017, the Registrar of Trademarks sent a notice under section 45 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) to Apple Inc. (the Owner). The notice was sent at the request of Ridout & Maybee LLP (the Requesting Party).

[5] The notice required the Owner to furnish evidence showing that it had used the Mark in Canada, at any time between April 18, 2014 and April 18, 2017, in association with the goods

specified in the registration. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[6] The relevant definition of use in the present case is set out in section 4(1) 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 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 [*Performance Apparel Corp v Uvex Toko Canada Ltd* (2004), 31 CPR (4th) 270 (FC)] and “evidentiary overkill” is not required [*Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FC)], the registered owner must still establish a *prima facie* case [*Diamant Elinor Inc v 88766 Canada Inc* (2010), 90 CPR (4th) 428 (FC)]. In this respect, sufficient facts must be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with the registered goods during the relevant period.

[8] In response to the Registrar’s notice, the Owner furnished the affidavit of Thomas R. La Perle, sworn on November 17, 2017, together with Exhibit A.

[9] While both parties filed written representations, neither party requested an oral hearing.

[10] As a preliminary matter, I note that in its written representations, the Owner makes reference to facts not in evidence in this proceeding; accordingly, I have disregarded all such references [*Ridout & Maybee LLP v Encore Marketing International, Inc* (2009), 72 CPR (4th) 204 (TMOB)].

THE EVIDENCE

[11] Mr. La Perle is the Director of the Owner's Legal Department, managing the Owner's Trademark and Copyright Group. He explains that the Owner designs, manufactures and markets mobile communication, media devices and personal computers, and sells a variety of related software services, accessories, etc.

[12] Mr. La Perle asserts that the Owner used the Mark in association with the registered goods in Canada during the relevant period. To explain, he asserts that the "[Owner] began using the Subject Mark in 1998 when [the Owner] included a file and web search tool called SHERLOCK with its Mac OS 8 operating system software" [para 8].

[13] Mr. La Perle explains that the SHERLOCK search tool has been included with all versions of the Mac operating system software through to a particular version (the Mac OS 10.4 Tiger software version) which was introduced in 2005. He attests that although the Owner decided not to include the SHERLOCK file and web search tool as part of the Mac OS X 10.5 operating system software introduced in 2007, the Owner distributed the previous Mac OS 10.4 Tiger version with the SHERLOCK program in Canada during the relevant period.

[14] Mr. La Perle asserts that "a member of Apple's analytics team has confirmed to me that the file containing the Mac OS X 10.4 Tiger software with the SHERLOCK tool [...] was downloaded 75 times from Apple's Canada website during the Relevant Period" [para 9].

[15] Further to this, he asserts that "Apple's Canadian counsel has confirmed to me that Apple offers the Mac OS X 10.4 Tiger software for download to Canadian consumers on both of its U.S. and Canadian websites" [para 10]. In support he attaches, as Exhibit A to his affidavit, excerpts obtained by the "Company's Canadian counsel" of the Owner's U.S. and Canadian websites "showing that the Mac OS X 10.4 Tiger software containing the file and web search tool called SHERLOCK is available for download by Canadian consumers" [para 10]. I note, however, that the Mark does not appear on the website excerpts.

[16] Lastly, Mr. La Perle concludes his affidavit by stating that Canadian consumers are able to and did download the Mac OS X 10.4 Tiger software from the Owner's websites during the

relevant period; thus, they will have downloaded the SHERLOCK software during the relevant period.

ANALYSIS AND REASONS FOR DECISION

[17] In its written representations, the Requesting Party raises several issues which can be summarized as follows: i) the affidavit contains inadmissible hearsay evidence; ii) the evidence does not demonstrate that the Mark was associated with the registered goods; and iii) there is no evidence of *transfer in the normal course of trade* of the registered goods.

[18] I will now discuss each of these issues in turn.

i) The affidavit contains inadmissible hearsay evidence

[19] The Requesting Party argues that the Owner's affidavit contains inadmissible hearsay evidence. For instance, the Requesting Party submits that Mr. La Perle's statement that the Owner offers the Mac OS X 10.4 Tiger software for download to Canadian consumers and the website excerpts at Exhibit A are hearsay as such evidence was provided by the Owner's "Canadian counsel". I note that in its written representations, the Owner identifies the "Canadian Counsel" as being its trademark agent. In this respect, as correctly noted by the Requesting Party, an affiant cannot be considered to have personal knowledge of matters told to the affiant by counsel of the trademark owner [*Perley-Robertson, Hill & McDougall LLP v Olin Corporation* (2008), 67 CPR (4th) 234 (TMOB)].

[20] In general, hearsay evidence is *prima facie* inadmissible, unless it satisfies the criteria of necessity and reliability [*Labatt Brewing Co v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FC)]. However, it is generally appropriate to apply these criteria less strictly in the context of a section 45 proceeding than in an adversarial proceeding intended to determine the rights of competing parties [*FCA US LLC v Pentastar Transportation Ltd.* (2019), 165 CPR (4th) 179 (FC)]. The summary nature of section 45 proceedings is such that concerns regarding hearsay should generally only go to the weight of the evidence, rather than its admissibility [*Eva Gabor International Ltd v 1459243 Ontario Inc* (2011), 90 CPR (4th) 277 (FC)].

[21] In any event, as it will appear from my decision, even if I were to give some weight to all concerns regarding hearsay evidence in this case, it would still not establish the requisite use of the Mark.

ii) The evidence does not demonstrate that the Mark was associated with the registered goods

[22] The Requesting Party submits that the evidence fails to demonstrate how the Mark would have been associated with the registered goods. In particular, it submits that the only exhibit provided by the Owner does not display the Mark and, therefore, Mr. La Perle's assertion of use of the Mark at paragraph 3 of his affidavit amounts to a bald statement.

[23] In response, the Owner submits that "it is quite difficult to obtain an image of an intrinsic program of a software operating system that is transferred to consumers by way of online downloads".

[24] The Owner cites the following cases in support of the proposition that institutional computer software is not a physical object, and thus a computer software company experiences unique difficulties when attempting to associate a trademark with its software: *Clark Wilson LLP v Genesisystems, Inc*, 2014 TMOB 64; *Fasken Martineau DuMoulin LLP v Open Solutions DTS Inc*, 2013 TMOB 68; and *Legault Joly Thiffault LLP v Information Builders, Inc* (2017), 154 CPR (4th) 312 (TMOB).

[25] Furthermore, the Owner cites *BMB Compuscience Canada Ltd v Bramalea Ltd* (1988), 22 CPR (3d) 561 (FC) in support of the proposition that notice of association of a trademark with goods may be given through means other than a tag or label, or marking the trademark on the packaging for the goods; particularly with goods such as computer software because it is not a physical object to which one can simply attach a label.

[26] Indeed, all the above cited cases by the Owner involve circumstances in which notice of association of a trademark with computer software has been accepted. Such circumstances, for example, have involved the trademark appearing on a license agreement that purchasers must read prior to loading the software, as well as appearing on the computer screen at the time of loading. Accordingly, as noted in *Legault Joly Thiffaut LLP*, the type of evidence that will suffice to show a trademark's association with computer software will vary from case to case.

[27] However, in the present case, there is simply no evidence to permit me to conclude that notice of association of the Mark occurred with the registered goods at the time of transfer. Indeed, the Owner did not furnish any evidence that displays the Mark whatsoever, nor has Mr. La Perle provided any sworn statements of fact describing the manner in which the Mark was associated with the registered goods at the time of their transfer during the relevant period.

[28] Having regard to the aforementioned, I am not prepared to accept that notice of association of the Mark was given in respect of the registered goods.

iii) There is no evidence of *transfer in the normal course of trade* of the registered goods

[29] The Requesting Party submits that the Owner has failed to show that there was the requisite *transfer in the normal course of trade* of the registered goods as there is no evidence of any sale of such goods. It further submits that the affidavit sends the clear message that the “alleged downloads” of the Owner’s software were provided free of charge, which is not considered to be use in the *normal course of trade* unless proven otherwise, which was not in the present case [citing *Hortliux Schreder BV v Iwasaki Electric* (2011), 95 CPR (4th) 16 at para 44-47].

[30] I note that the Owner’s written representations in this regard include references to facts not in evidence, which I have already indicated will be disregarded.

[31] In *Renaud Cointreau & Cie v Cordon Bleu International Ltd* (1993), 52 CPR (3d) 284 (TMOB) at para 11, aff’d (2000), 188 FTR 29 (FC), the Registrar stated that the word “trade” in section 4(1) of the Act “contemplates some payment or exchange for the wares supplied or at least that the transfer of the wares be a part of a dealing in the wares for the purpose of acquiring goodwill and profits from the marked goods”.

[32] In the present case, although Mr. La Perle does not explicitly state the Owner’s software with the SHERLOCK tool was downloaded free of charge, there is simply no evidence that such software was ever subject to a commercial transaction. Indeed, Mr. La Perle does not make any statement that the computer software with the SHERLOCK tool was ever sold in Canada; rather he simply attests that the Mac OS 10.4 Tiger version with the SHERLOCK program was “distributed” and that the SHERLOCK tool was “downloaded 75 times” during the relevant

period. Furthermore, Mr. La Perle provides no particulars regarding the Owner's normal course of trade such that it would allow me to conclude that these downloads were transfers for the purpose of acquiring goodwill or profits from the subject goods. In any event, it is not necessary for me to draw a conclusion on this issue as the Owner's evidence fails to show that the Mark was associated with the registered goods.

Conclusion

[33] To conclude, Mr. La Perle's statements amount to mere allegations of use, instead of statements of fact establishing the use of the Mark in association with the registered goods. In the absence of further details or supporting evidence, I cannot conclude that the Mark was used within the meaning of sections 4 and 45 of the Act.

[34] As no special circumstances have been demonstrated that would excuse such absence of use of the Mark in association with the registered goods, the Mark will be expunged from the register.

Disposition

[35] In view of all of the foregoing, pursuant to the authority delegated to me under 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

Kathryn Barnett
Member
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

Baker & Mckenzie LLP

For the Registered Owner

Ridout & Maybee LLP

For the Requesting Party