



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 100

Date of Decision: 2020-08-31

IN THE MATTER OF SECTION 45 PROCEEDINGS

Loopstra Nixon LLP

Requesting Party

and

Sulaiman Al-Abdul Karim & Bros. Co.

Registered Owner

W.L.L.

TMA 467,276 for SWAN IN A

Registrations

CIRCLE DESIGN

TMA 650,295 for ALWAZAH Design

INTRODUCTION

[1] At the request of Loopstra Nixon LLP (the Requesting Party), the Registrar of Trademarks issued notices under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act), to Sulaiman Al-Abdul Karim & Bros. Co. W.L.L. (the Owner), the registered owner of registration No. TMA 467,276 for the trademark SWAN IN A CIRCLE DESIGN, and registration No. TMA 650,295 for ALWAZAH Design (collectively, the Marks). The notice in respect of SWAN IN A CIRCLE DESIGN (the SWAN Mark) issued on September 11, 2017, and the notice in respect of ALWAZAH Design (the ALWAZAH Mark) issued on September 8, 2017.

[2] The Marks are registered for use in association with the registered goods “Tea.”

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

[4] The notices required the Owner to show whether the Marks have been used in Canada in association with the goods in the registrations at any time within the three-year period immediately preceding the date of each notice and, if not, the date when each of the Marks 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 of the SWAN Mark is September 11, 2014, to September 11, 2017, and the relevant period for showing use of the ALWAZAH Mark is September 8, 2014, to September 8, 2017.

[5] The relevant definition of use for goods 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.

[6] 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)].

[7] In response to each of the Registrar's notices, the Owner furnished an affidavit of Hani Teebi, sworn March 29, 2018. I note that both affidavits are substantially the same. Both parties filed written representations, which are substantially similar for both proceedings. Both parties were represented at an oral hearing.

THE OWNER'S EVIDENCE

[8] Mr. Teebi states that he is the Director of Canary Trading Company, Inc. (Canary), the licensee in Canada of the Owner, a Kuwait-based company, since April 1, 2014. He states that he has been authorized by both the Owner and Canary to make his affidavit, and states that the facts and information contained in the affidavit are either known to him personally or were obtained from files and records of Canary or the Owner, to which Mr. Teebi has access.

[9] Mr. Teebi explains that the registered goods are produced, distributed, and sold by the Owner through a tri-party agreement between the Owner, Canary, and Finlay Tea Solutions Columbo (PVT) Ltd. (Finlays), according to which Finlays grows, produces, and packages tea in Sri Lanka under the Owner's control, and then exports the goods to other countries, including Canada. On April 1, 2014, Canary was granted a licence from the Owner and Finlays to be the sole agent, importer, and distributor in Canada of tea under the Marks. As Exhibit C to his affidavit, Mr. Teebi attaches a copy of a letter from Finlays to Canary providing that Canary is appointed to be the sole agent, importer, and distributor of tea under the Marks in Canada, effective April 1, 2014, for three years. Underneath the signatures, the Owner's name is listed above the word "PARTNER". Mr. Teebi states that "Accordingly, Sulaiman has direct or indirect control of the character or quality of the Goods (*tea*) when used in Canada in association with the [Marks], including during the [relevant periods]".

[10] Mr. Teebi states that the packaging of the Owner's tea prominently displayed the Marks in Canada during the relevant periods. As Exhibit D, he attaches photographs of packaging for tea that prominently displays both Marks. He states that these images are representative of the packaging for tea sold and/or distributed by Canary during the relevant period. As Exhibit E, he attaches close-ups of such photographs showing that the packaging identifies the Owner as the owner of the Marks, and Canary as the "SOLE AGENT IN USA & CANADA".

[11] Mr. Teebi explains that typically, Canary will sell the Owner's tea to Canadian wholesalers or distributors, who then resell the goods to Canadian grocery stores for sale to the public. Such wholesalers or distributors include Groupe Phoenicia Inc. (Phoenicia) in Quebec, and Odeco Trading Inc. (Odeco) in Ontario. As Exhibits G and I, he attaches commercial invoices showing export of thousands of cartons of tea to Montreal. I note that the invoices

indicate that these teas were sold by Finlays to Canary, with total sales figures amounting to tens of thousands of dollars. While one of the invoices also refers to Phoenicia, I note that that invoice post-dates the relevant periods. As Exhibit H, Mr. Teebi attaches photographs of the cartons in which such tea is shipped; both Marks are visible on these cartons.

ANALYSIS

[12] The Requesting Party submits that the Owner's evidence is insufficient to show use of either of the Marks in association with the registered goods. In particular, it submits that there is no evidence that Mr. Teebi was authorized by the Owner to submit evidence on its behalf, and that the evidence is insufficient to establish that any use of the Marks by Finlays or Canary would enure to the Owner pursuant to the requirements of section 50 of the Act. Each submission will be addressed in turn.

[13] With respect to whether Mr. Teebi was authorized by the Owner to provide evidence in this proceeding, the Requesting Party notes that there is no documentation to support Mr. Teebi's contention that he was authorized by the Owner to make the affidavit. However, it is well established that in a Section 45 proceeding, "the owner of the mark may furnish the Registrar with ... affidavits ... signed by him or third parties" [*Canada (Registraire des marques de commerce) v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) at para 14]. Given that Mr. Teebi states that he has been authorized by the Owner and Canary to make the affidavits, and that the Owner in turn furnished Mr. Teebi's affidavits as evidence in these proceedings, I accept that he was authorized by the Owner to provide evidence in these proceedings.

[14] With respect to whether use enured to the Owner, the Requesting Party submits that the Exhibit C licence appears to be between Finlays and Canary, while the Owner is merely referenced at the bottom of the document. The Requesting Party submits that to conclude that use enures to the Owner, it must be accepted that there were at least two licences in effect, one between the Owner and Finlays and a second between Finlays and Canary, and that "any such conclusion requires an unreasonable exercise of faith that the unsupported assertions of the Affiant are true." In this respect, the Requesting Party submits that there is no evidence of a licence between the Owner and Finlays such that the latter could authorize Canary to act as the

Owner's licensee in Canada, and that Mr. Teebi's statement that the requisite control exists should accordingly be given little weight.

[15] In response, the Owner submits that the requisite control pursuant to section 50 "can be satisfied either by the registrant/licensee clearly swearing to the fact that the control required by Section 50 exists [...], or by the submission of a copy of the license containing provisions regarding the control the registrant has over the character and quality of the wares or services." In this case, the Owner submits that Mr. Teebi has clearly sworn to the fact that the tea is grown, produced, and packaged by Finlays under the Owner's control pursuant to the tri-party agreement between the Owner, Finlays, and Canary.

[16] Further, the Owner points to section 50(2) of the Act, which provides as follows:

For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trademark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trademark and the character or quality of the goods or services is under the control of the owner.

[17] Given that the packaging attached as Exhibits D and E clearly identifies the Owner as the registered owner of the Marks and Canary as its sole agent in Canada, the Owner submits that there is a presumption that the requisite control exists.

[18] As stated by the Federal Court, there are three main methods by which a trademark 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 licence agreement that provides for the requisite control [*Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102 at para 84]. Further, it is not necessary to furnish a written licence agreement to establish licensed use of a trademark [see *Wells' Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD)].

[19] In this case, Mr. Teebi has provided a clear sworn statement that the Owner exercises the requisite control over Finlays' and Canary's use of the Marks. That is sufficient for the purposes of a section 45 proceeding. I am not prepared to give Mr. Teebi's statements less weight simply because the licensing structure includes a third party. In this respect, I would observe that

Mr. Teebi clearly describes the licensing arrangement between the Owner, Canary, and Finlays and explains that the sources of his information include his personal knowledge as well as Canary's and the Owner's files and records, to which he has access. In the absence of evidence to the contrary, an affiant's statements are to be accepted at face value and 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].

[20] In this case, there is nothing in evidence that would cause me to doubt Mr. Teebi's assertion that a tri-party agreement existed between the Owner, Finlays, and Canary in which the Owner controls Finlays' production and packaging of the goods and Canary's use of the Mark in association with the goods in Canada. Furthermore, Mr. Teebi's assertions are supported by such documentary evidence as the Exhibit C letter referencing the three parties, as well as the packaging shown at Exhibits D and E identifying the Owner as the owner of the trademarks and Canary as its sole agent. In view of this evidence and of Mr. Teebi's sworn statement that the Owner exercised the requisite control, I am satisfied that any use of the Marks pursuant to this arrangement in Canada during the relevant period would enure to the Owner.

[21] In view of the Exhibit G and I invoices showing sales of the tea by Finlays to Canary in Canada during the relevant period, as well as the Exhibit H photographs showing that both Marks were displayed on the packaging for such goods, I am satisfied that the Owner has shown use of the Marks in association with transfers from Finlays to Canary in the normal course of trade in Canada during the relevant period. In this respect, I note that the law is clear that the use of a trademark at any point along the chain of distribution is sufficient to demonstrate use as defined in section 4 of the Act, and that such use will accrue to the benefit of the owner provided that the goods bearing the trademark originate from the owner [*Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Osler, Hoskin & Harcourt v Canada (Registrar of Trade Marks)* (1997), 77 CPR (3d) 475 (FCTD)].

[22] As such, I am satisfied that the Owner has established use of the Marks in association with the registered goods within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[23] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, both registrations 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**

HEARING DATE August 4, 2020

APPEARANCES

Sander Gelsing For the Registered Owner

Matthew Thurlow For the Requesting Party

AGENTS OF RECORD

Warren Sinclair LLP For the Registered Owner

Loopstra Nixon LLP For the Requesting Party