



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 110

Date of Decision: 2020-09-30

IN THE MATTER OF A SECTION 45 PROCEEDING

Riches, Mckenzie & Herbert LLP

Requesting Party

and

EngineQuest LLC

Registered Owner

TMA675,965 for EQ

Registration

INTRODUCTION

[1] At the request of Riches, Mckenzie & Herbert LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on July 11, 2017, to A & A Midwest Rebuilders Suppliers, Inc. (A & A), the registered owner at that time of registration No. TMA675,965 for the trademark EQ (the Mark).

[2] The Mark is registered for use in association with the goods “Engine cylinder heads, engine blocks, crankshafts, engine connecting rods, intake and exhaust manifolds, and timing covers.”

[3] On January 27, 2020, the Registrar updated the registration to record an assignment of the Mark to EngineQuest LLC (the Owner), the current owner of the Mark. This change in ownership is not at issue in this proceeding.

[4] The notice required the Owner to show whether the Mark has been used in Canada in association with the registered goods 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 July 11, 2014, to July 11, 2017.

[5] For the reasons that follow, I conclude that the registration ought to be maintained only with respect to “Engine cylinder heads, and timing covers”.

[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 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) [*John Labatt*]].

[8] In response to the Registrar’s notice, the Owner furnished the affidavit of Scott J. Stolberg, the Secretary/Treasurer of A & A, sworn January 15, 2018. Both parties submitted written representations. No oral hearing was held.

THE OWNER'S EVIDENCE

[9] Mr. Stolberg states that A & A's core business is purchasing recyclable scrap, as well as supplying engine, transmission, and internal parts cores to customers in Canada and elsewhere. He states that the Mark is used in commerce in the United States and in Canada "in association with stock and performance engine cylinder heads, engine blocks, crankshafts, engine connecting rods, intake and exhaust manifolds, timing covers, head bolts, harmonic balancers and much more." He states that such parts are available from warehouses in Chicago and Las Vegas, and are offered for sale through the Owner's eBay store, with shipping available to Canada.

[10] Mr. Stolberg attaches the following exhibits to his affidavit:

- Exhibit A: screenshots from A & A's website. A short blurb indicates that "EngineQuest (EQ) is the engine parts division of A&A" and that they specialize in cylinder heads, head bolts, timing covers, harmonic balancers and other goods.
- Exhibits B and C: screenshots dated January 12, 2018, from A & A's eBay store. Exhibit C shows items from the eBay store available for international priority shipping to Canada. Such items include cylinder heads, engine blocks, crankshafts, connecting rods, intake and exhaust manifolds, and timing covers. The eBay page has over 8,000 ratings.
- Exhibit D: invoices dated during the relevant period showing sales by A & A to a Canadian customer, including cylinder heads, timing covers, and other items, such as an item called "SCREW IN ROCKER STUD CHEVY". The letters "EQ" appear in a stylized format at the top of the invoices, as well as at the start of the product codes next to the listed items. For example, on an invoice dated January 13, 2017, the invoice lists "EQ-CH350C CHEVROLET 5.7L 350 1996-2002 CYLINDER HEAD CAST#'s062,906,721" and "EQ-TC350P PLASTIC TIMING COVER 96-03 CHEVROLET 305 / 350 V8". I note that this invoice shows a shipment directly to the customer's address in Delta, British Columbia, while other sales to the same customer were shipped to a location in California.
- Exhibit E: advertisements displaying the Mark, which Mr. Stolberg states were distributed in Canada during the relevant period.
- Exhibit F: photographs of packaging showing the letters "EQ" in a stylized format as well as at the start of product codes listed on the packaging. Mr. Stolberg states that these are representative of packaging and labels for items shipped to Canada.

[11] The stylized version of the letters "EQ" is consistently shown on the invoices and the packaging with the words "EngineQuest" immediately below it, or, in a few instances, elsewhere on the packaging. The stylized "EQ" appears as follows:



ANALYSIS

[12] The Requesting Party submits that the Owner's evidence does not establish use of the Mark in association with any of the goods. In particular, the Requesting Party submits that the Owner has not shown that each of the goods was transferred in the normal course of trade in Canada during the relevant period; that the display of the letters "EQ" in the product codes is not use of the Mark; and that display of the stylized "EQ" is not use of the Mark as registered. Each submission will be considered in turn.

[13] The Requesting Party submits that the Owner has not described A & A's normal course of trade in Canada, and observes that the mere presence of goods on screenshots from an eBay store dated outside the relevant period does not establish that such goods were transferred in the normal course of trade in Canada. Further, the Requesting Party notes that even though the items appear to be purchased by a Canadian entity, some of the invoices show shipments to California, and that the Owner has not correlated the items listed in the invoices with the registered goods.

[14] In response to the Requesting Party's submission regarding the normal course of trade, the Owner submits, and I agree, that Mr. Stolberg has adequately explained A & A's normal course of trade in Canada as selling directly or through its eBay page to Canadian customers, and shipping products from its warehouses in the United States to such customers.

[15] With respect to the Requesting Party's submission that the mere presence of the eBay store does not indicate that goods were transferred in the normal course of trade in Canada, the Owner submits that customers in Canada may view the page and purchase goods, and points to the option for international priority shipping to Canada as further evidence that Canadians may purchase such goods. Further, the Owner cites the large quantity of ratings for A & A's eBay store as indicative of the magnitude of sales through that store.

[16] However, it is well established that it is insufficient to show that goods were merely available to be sold in Canada during the relevant period. Some evidence of transfers in the normal course of trade is required. I would further note that Mr. Stolberg does not confirm in his affidavit that the screenshots are representative of the items carried by the store during the relevant period. As such, I cannot conclude that the Owner transferred each of the goods in Canada in the normal course of trade based solely on the evidence of A & A's eBay store.

[17] However, it is not necessary for the Owner to rely on the eBay printouts, since the exhibited invoices on their own provide sufficient evidence of use in association with certain registered goods. With respect to the Requesting Party's submissions concerning the invoices, the Owner submits that even if the goods were shipped to California prior to Canada, the invoices show transfer of property of the goods to the Canadian entity. In any event, the Owner notes that one of the invoices is dated January 13, 2017, and unequivocally shows a sale of products identified as cylinder heads and timing covers which were shipped directly to the customer's address in Canada.

[18] I concur with the Owner on the latter point. Evidence of a single sale can be sufficient to establish use for the purposes of section 45 expungement proceedings, so long as the sale 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 am satisfied that the January 13, 2017 invoice is sufficient to establish that the registered goods "engine cylinder heads" and "timing covers" were transferred in the normal course of trade in Canada during the relevant period. It is therefore not necessary to address the other invoices since they do not list any additional registered goods. In this respect, I note that it is not evident from the Owner's affidavit or submissions that any of the other products indicated on the invoices, such as the rocker stud, correspond with any of the registered goods.

[19] With respect to the inclusion of the letters "EQ" in the product codes, the Requesting Party submits that these letters merely indicate the division of A & A from which these items originated, and do not constitute the Mark. In response, the Owner submits that the appearance of the letters "EQ" at the beginning of the product codes constitutes use of the Mark within the

meaning of the Act, noting that they serve to indicate the source of the goods and are emphasized by the hyphen that separates the letters “EQ” from the item numbers.

[20] As stated in *Consumers Distributing Co/Cie Distribution aux Consommateurs v Toy World Ltd*, 1990 CarswellNat 1398 (TMOB) at para 14, “trade-mark and trade-name usage are not necessarily mutually exclusive”. The question is whether the registered owner has shown use of its trademark in such a way that it is identifiable as a trademark and not merely as a corporate name or corporate identifier. Relevant factors to consider include whether the trademark stands apart from the corporate address and other corporate identifier information to the extent that the public would perceive such use as a trademark and not merely as identification of a legal entity [see *Road Runner Trailer Manufacturing Ltd v Road Runner Trailer Co* (1984), 1 CPR (3d) 443 (FCTD) at para 16; *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB) [*Nightingale*] at para 7]. In *Tint King of California Inc v Canada (Registrar of Trade Marks)*, 2006 FC 1440, the Federal Court noted the following at paragraph 35:

...the central consideration appears to be whether, in the case of invoices, the wares themselves are identified with the trade-mark, or whether the trade-mark seems to be associated on the invoice with the distributor, in which case it is more likely proof of use in relation to services.

[21] In this case, the goods themselves are identified with the Mark by virtue of the presence of the letters “EQ” in the product codes identifying the items in the invoice and on their packaging. As such, I find that the public would perceive such use as a trademark and not merely as identification of a legal entity.

[22] With respect to the stylized “EQ”, the Requesting Party submits that the Mark is unrecognizable in this configuration given that the lightning bolt design that cuts between the two letters makes it impossible to determine whether the first letter is an “E” or a “B”.

[23] In considering whether the display of a trademark constitutes display of the trademark as registered, the question to be asked is whether the trademark was displayed 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)

[*Honeywell Bull*]]. In deciding this issue, one must look to see whether the “dominant features” of the registered trademark 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 to permit a finding of use of the trademark as registered is a question of fact to be determined on a case-by-case basis. Finally, a registration for a word mark can be supported by use of that mark in any stylized form [see *Stikeman, Elliott v Wm Wrigley Jr Co* (2001), 14 CPR (4th) 393 (TMOB)].

[24] In this case, I am satisfied that the dominant elements of the Mark have been preserved despite the addition of the lightning bolt design. While the placement of the lightning bolt design could conceivably cause a customer to think that the first letter is a “B” rather than an “E”, I note that the stylized “EQ” is accompanied by the words “EngineQuest” either directly below or elsewhere on the packaging in all instances in evidence, as well as at the start of the product codes appearing near the logo on the packaging. Accordingly, I am satisfied that a purchaser would recognize the Mark [*Honeywell Bull*].

[25] As the Owner has shown that the Mark was displayed on the packaging of goods shipped to Canada in the form of both the product codes and the stylized “EQ”, I am satisfied that the Owner has established use of the Mark within the meaning of the Act in association with the goods shown to have been transferred during the relevant period in Canada, namely, engine cylinder heads and timing covers.

[26] With respect to the remaining goods, as noted above, a registered owner must establish a *prima facie* case of use of the trademark in association with *each* of the goods specified in the registration [*John Labatt*; see also *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 [*Diamant Elinor*]]. In other words, the Registrar must be able to “rely on an inference from proven facts rather than on speculation” to satisfy every element required by the Act [*Diamant Elinor* at para 11; see also *Smart & Biggar v Curb*, 2009 FC 47]. In this case, the Owner has only furnished evidence of sales to a single Canadian customer and only of two of the registered goods. In the absence of evidence of transfers in the normal course of trade of the remaining goods during the relevant period, I cannot conclude that the Owner has established use of the Mark in association with the remaining goods within the meaning of the Act. As there is no

evidence of special circumstances excusing such non-use, the registration will be amended accordingly.

DISPOSITION

[27] 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 following registered goods:

engine blocks, crankshafts, engine connecting rods, intake and exhaust manifolds.

[28] The amended statement of goods will be as follows:

Engine cylinder heads, and timing covers.

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 No Hearing Held

AGENTS OF RECORD

Bhole IP Law

For the Registered Owner

Riches, Mckenzie & Herbert LLP

For the Requesting Party