



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 149

Date of Decision: 2023-08-24

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Transformers Manufacturing Company Pty Ltd

Registered Owner: H & F S.r.l.

Registration: TMA992,391 for TMC & Design

INTRODUCTION

[1] This is a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA992,391 for the trademark TMC & Design shown below (the Mark) registered in association with electric transformers.



The Mark includes the following colour claim:

Colour is claimed as a feature of the trade-mark. The letters TMC are black on a white background. The thick stripes at the top and bottom of the mark are red. The thin stripes above the letters TMC, from the bottom to the top, are red, white, green and white, and the thin stripes below the letters TMC, from the bottom to the top, are white, red, white and green.

[2] For the following reasons, the registration ought to be maintained.

THE PROCEEDING

[3] At the request of Transformers Manufacturing Company Pty Ltd (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on July 16, 2021 to the registered owner of the Mark, H & F S.r.l. (H & F or the Owner).

[4] The notice required the Owner to show whether the Mark was 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 use. The relevant period for showing use is July 16, 2018 to July 16, 2021 (the Relevant Period). In the absence of use, the registration is liable to be expunged, unless the absence of use is due to special circumstances.

[5] The relevant definition of use is set out in section 4(1) of the Act:

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] The purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing deadwood from the register. The evidence in a section 45 proceeding need not be perfect; the Owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act. This burden of proof is light; evidence must only supply facts from which a conclusion of use may follow as a logical inference [*Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184].

[7] In response to the Registrar's notice, the Owner furnished the affidavit of Gianpaolo Palladini. Both parties submitted written representations. No hearing was held.

THE EVIDENCE

[8] Mr. Palladini is the Chairman of TMC Transformers S.p.A. (TMC Transformers) a wholly owned company of the Owner (para 1). TMC Transformers manufactures and sells medium and low voltage transformers and reactors (para 1). Mr. Palladini oversees the affairs and activities of TMC Transformers and the matters in his affidavit are from his personal knowledge and its records (para 1). During the Relevant Period, TMC Transformers and/or its predecessors in title, under license from the Owner, sold transformers in Canada in association with the Mark (para 5). Under the license, the Owner either directly or indirectly controlled the character and quality of the registered goods sold in association with the Mark (para 5). Mr. Palladini provides several examples of use of a number of different TMC trademarks, including the trademark below featuring TMC between two red stripes with TRANSFORMERS in the red stripe, appearing on materials such as operating manuals and technical data sheets (Exhibit C).



[9] Such materials are shown to have accompanied the registered goods sold in Canada during the Relevant Period as shown in the electric transformers pictured in paragraph 6 of the affidavit and set out below.



Finally, Mr. Palladini provides sales figures and invoices which he swears are for sales of electric transformers with the Mark in Canada during the Relevant Period (para 7; Exhibit D).

ANALYSIS AND REASONS FOR DECISION

[10] The Requesting Party submits that the evidence is insufficient to maintain the registration for several reasons including that (i) Mr. Palladini is not qualified to give evidence, (ii) that there are issues regarding whether any use would enure to the benefit of the Owner given the chain of title history and insufficient evidence of licensing, (iii) that there is deviation between the Mark as used and the Mark as registered, (iv) that it is not possible to tell if the use is in the normal course of trade and (v) that multiple trademarks were used which puts into doubt use of the Mark.

Evidence of Mr. Palladini is Admissible

[11] The Requesting Party submits that the notarial certificate indicates that the affidavit was signed by Mr. Palladini in his capacity as Director of H & F but the statements in the affidavit emanate from Mr. Palladini in his capacity as Chairman of TMC Transformers S.p.A (Requesting Party's written submissions, para 1). The Requesting Party argues that the affidavit therefore cannot be considered to be properly sworn or declared and is inadmissible. The translation provided by the Requesting Party of the relevant parts of the notarial certificate is set out below:

PALLADINI Gianpaolo ... in his capacity as Sole Director of the company "H&F S.r.L." ... of whose personal identity, qualification and powers I, the notary, am certain ... signed the above declaration in my presence.

[12] Mr. Palladini's evidence is admissible. I find it reasonable that Mr. Palladini swore the affidavit in his capacity as Director of the Owner and provides evidence that as Chairperson of TMC Transformers, a wholly owned company of the Owner, he oversees the affairs and activities of TMC Transformers (Palladini affidavit, para 1).

Use of the Mark Enures to the Owner

[13] The Requesting Party submits that there is ambiguity in who used the Mark given chain of title prior to the Relevant Period (Requesting Party's written submissions, para 2). I have disregarded these submissions as a section 45 proceeding focusses on whether there is use during the Relevant Period by the Owner.

[14] During the Relevant Period, TMC Transformers and/or its predecessors in title, under license from the Owner, offered for sale and sold electric transformers in Canada. Mr. Palladini's evidence is that under the license, the Owner either directly or indirectly controlled the character and quality of the Goods sold in association with the Mark (Palladini affidavit, para 5). This evidence is sufficient for me to find that a license was in place and that the requisite control was exercised [*Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102]. Accordingly, I am satisfied that the evidenced use of the Mark by TMC Transformers enures to the Owner's benefit pursuant to section 50 of the Act.

Deviation and Evidence of Use of the Mark During the Relevant Period

[15] The use of the trademark shown below on materials attached to electric transformers is use of the Mark.



[16] The question for me to determine is whether the Mark 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)]. In deciding this issue, one must look to see whether the dominant features of the Mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[17] The Mark remains recognizable, in spite of the differences between the form in which it was registered with stripes and the form in which it was used (with red stripes, lacking green stripes and including further descriptive text). Comparing the Mark as registered and the design as used, the Mark remains recognizable and the dominant feature of the Mark, namely TMC between red stripes is preserved. Given their size in the design used, the lack of green stripes and the descriptive words between the stripes are not dominant features.

Goods Were Sold in the Normal Course of Trade

[18] I am satisfied that the electric transformers sold in Canada during the Relevant Period were sold in the normal course of trade. Invoices have been provided showing sales of transformers to customers in Canada during the Relevant Period for many thousands of dollars. Further, one of the brochures attached at Exhibit C explains that transformers are delivered ready for installation and any transportation damage is to be reported.

It is Not Relevant That Another TMC Trademark Was Also Used During the Relevant Period

[19] Finally, the Requesting Party submits that most of the evidence shows that the trademark shown below was being used by the Owner. For example, this trademark with the letters TMC appearing after a design in red brackets appears on the Owner's website and invoices.



[20] Mr. Palladini's statements are clear regarding the Mark and the fact that other trademarks are used does not lead me to doubt his credibility or these statements. In particular, there is nothing to prevent a party from using multiple trademarks.

Conclusion

[21] Accordingly, I am satisfied that the Mark was used in Canada by the Owner in association with electric transformers during the Relevant Period within the meaning of sections 4(1) and 45 of the Act.

DISPOSITION

[22] 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 maintained.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Requesting Party: MacRae & Co.

For the Registered Owner: Bereskin & Parr LLP/S.E.N.C.R.L., S.R.L.