

Federal Court



Cour fédérale

Date: 20110118

Docket: T-2134-09

Citation: 2011 FC 59

[UNREVISED ENGLISH CERTIFIED TRANSLATION]

Ottawa, Ontario, January 18, 2011

PRESENT: The Honorable Mr. Justice de Montigny

BETWEEN:

LES SOLS R. ISABELLE INC.

Applicant

and

STIKEMAN ELLIOTT LLP

Respondent

REASONS FOR ORDER AND ORDER

[1] The applicant is appealing, pursuant to section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (Act), a decision by the Registrar of Trade-marks (Registrar) dated July 6, 2009, ordering the expungement of registration TMA477,834 for the trade-mark MIRACLE MIX and graphic design (Mark) in accordance with subsection 45(4) of the Act.

[2] The applicant, Les Sols R. Isabelle Inc., sells garden products. This company registered the trade-mark MIRACLE MIX on June 16, 1997, in relation to three products: sod, perlite and black earth. The certificate of registration was then amended on April 26, 2004, to add the following products: soil, mixed soil, professional soil, peat moss, cedar mulch, decorative stones, pine bark, manure, compost, granular fertilizers, liquid fertilizers, soluble fertilizers, grass seed, vegetable seeds, annual flowers and perennial seeds.

[3] The Act stipulates that, to remain valid, a trade-mark must be in use in Canada at any time during the three-year period immediately preceding an expungement request. In accordance with subsection 45(1) of the Act, the Registrar may, on his or her own initiative or at the request of a third party, give notice to the registered owner of the trade-mark requiring the registered owner to furnish evidence showing that the trade-mark was in use in Canada during the relevant period.

[4] In this case, the respondent made such a request. On January 2, 2007, the Registrar gave the applicant notice pursuant to section 45 of the Act. Only the wares falling under the original certificate of registration were covered by this first notice.

[5] On July 12, 2007, the Registrar gave the applicant a second notice pursuant to section 45 of the Act, still at the respondent's request. This second notice covered the wares that were added to the certificate of registration on April 26, 2004.

[6] On July 6, 2009, the Registrar rendered two decisions on the two notices given pursuant to section 45 of the Act and concluded that the applicant had not met its burden of demonstrating that

the Mark had been in use in Canada during the relevant period (meaning at any time during the three-year period preceding each of the two notices). Since all of the wares covered by the Mark were expunged, the effect of the Registrar's two decisions was ultimately to expunge the registration of the Mark itself entirely.

[7] The applicant does not deny having received the Registrar's two notices pursuant to section 45 of the Act. However, the applicant neglected to consult a trade-mark agent to this end and decided instead to prepare and produce statutory declarations signed by Roger Isabelle, the applicant's President, dated March 14, 2007, and September 18, 2007. Aside from the signature dates, these two declarations were identical in their content. They were cursory to say the least, and no exhibit was properly produced to support the allegations contained therein. Only the respondent subsequently produced a written argument, and there was no hearing of the parties before the Registrar.

[8] This appeal relates only to the decision rendered by the Registrar in association with the second notice given pursuant to section 45 of the Act, and is only intended to maintain the registration of the Mark in association with two wares, soil and mixed soil. The respondent made no oral or written submissions and agreed that the applicant's appeal should be allowed.

[9] In accordance with subsection 56(5) of the Act, the applicant may, before this Court, adduce additional evidence showing that the Mark was in use in Canada during the relevant period in association with the wares "soil" and "mixed soil". The case law confirms that this Court may consider additional evidence, even in cases in which the applicant did not adduce evidence before

the Registrar: *Austin Nichols & Co., Inc. (doing business under the trade name Orangina International Company) v Cinnabon Inc.*, [1998] 4 FC 569 (FCA), at pp 5-10; *Vêtement Multi-Wear Inc. v Riches, Mckenzie & Herbert LLP*, 2008 FC 1237, at paras 17-18.

[10] In the Court record, the applicant filed an affidavit signed by Roger Isabelle and exhibits in support thereof on February 22, 2010. It appears from this affidavit that the applicant has been producing, bagging and selling soil under the MIRACLE MIX mark in the normal course of trade since 1996 as evidenced by the following:

- RI-1: Packaging for soil on which the Mark is displayed. Mr. Isabelle stated that all of the soil sold by the applicant from 1996 to 2003 was packaged in such bags;
- RI-2: A sample of the new packaging for soil displaying the MIRACLE MIX mark with the same words but a new graphic design. This new format is a variant of the mark as registered, used since 2003. Mr. Isabelle stated that this new packaging was used simultaneously with the former one for a period of at least two years, until the end of 2004. Mr. Isabelle added that it is more than probable that simultaneous use of these two types of packaging continued in the applicant's normal course of trade during the year 2005;
- RI-3: Sample of the applicant's invoices for the year 2004 demonstrating the sale of MIRACLE MIX soil contained either in RI-1 or RI-2 packaging. Mr. Isabelle stated that from February 1, 2004, to January 31, 2005, the applicant sold 39,167 bags of MIRACLE MIX soil in Canada for a total of \$68,579.50;
- RI-4: Sample of the applicant's invoices for the year 2005 demonstrating the sale of MIRACLE MIX soil contained either in RI-1 or RI-2 packaging. Mr. Isabelle stated that from February 1, 2005, to January 31, 2006, the applicant sold 36,506 bags of MIRACLE MIX soil in Canada for a total of \$68,490.00;
- RI-5: Sample of the applicant's invoices for the year 2006 demonstrating the sale of MIRACLE MIX soil contained either in RI-1 or RI-2 packaging. Mr. Isabelle stated that from February 1, 2006, to January 31, 2007, the applicant sold 39,908 bags of MIRACLE MIX soil in Canada for a total of \$76,679.40.

[11] The purpose of the appeal is to determine whether the Registrar's decision must be partially reviewed with respect to the additional evidence filed by the applicant in order to maintain registration TMA477,834 for the Mark in association with certain wares, that is, soil and mixed soil.

[12] Decisions of the Registrar within his or her area of expertise are normally to be reviewed on a standard of reasonableness. However, the situation is different when additional evidence is adduced before this Court: in such a case, the Court may substitute its own findings for that of the Registrar without it being necessary to show an error in the Registrar's reasoning. In other words, the matter must be heard *de novo* and the Court must render the decision that it believes to be appropriate under the circumstances, on the basis of the additional evidence filed in appeal which was not available to the Registrar. This was explained by Justice Marshall Rothstein, then of the Federal Court of Appeal, in *Molson Breweries v John Labatt Ltd.*, [2000] 3 FC 145 (FCA), at paragraph 51:

Even though there is an express appeal provision in the *Trade-marks Act* to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar's expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

See also: *Guido Berlucchi & C. S.r.l. v Brouillette Kosie Prince*, 2007 FC 245, at paras 23, 24 and 38; *Maison Cousin (1980) Inc. v Cousins Submarines Inc.*, 2006 FCA 409, at para 4; *Promotions C.D. Inc. (Promotions G.B.) v Sim & McBurney*, 2008 FC 1071, at paras 8 and 10; *Sanders v Smart & Biggar Intellectual Property & Technology Law*, 2010 FC 73, at para 9.

[13] The Registrar rightly reiterated the principles of *Plough (Canada) Ltd. v Aerosol Fillers Inc.* [1980] FCJ No 198 (FCA) in describing the burden of proof of a registered trade-mark owner who is the subject of a notice pursuant to section 45 of the Act. The owner of the trade-mark at issue must demonstrate the use of this trade-mark according to the definition of "use" pursuant to

section 2 of the Act (“ . . . any use that by section 4 is deemed to be a use in association with wares or services”). Moreover, subsection 4(1) of the Act states the irrebuttable presumption of use applicable in this case, that is, in association with the wares. This provision reads as follows:

4(1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

[14] My colleague, Justice Frederick E. Gibson, properly summarized the requirements imposed by this provision for establishing the use of a mark in *The Molson Companies Limited v Halter* (1976), 28 CPR (2nd) 158, at paragraph 32:

In essence, in order to prove "use" in Canada of a trade mark for the purpose of the statute, there must be a normal commercial transaction in which the owner of the trade mark completes a contract in which a customer orders from the owner the trade mark wares bearing the trade mark which wares are delivered by the owner of the trade mark pursuant to such contract to such customer. In other words, as section 4 of the Act prescribes, the "use" must be "in the normal course of trade" at the time of the transfer of the property in or possession of such wares.

[15] This burden of proof is not stringent because a simple *prima facie* proof of the use of the registered trade-mark is sufficient to satisfy the objective set out in section 4 of the Act. The Registrar therefore was right to state that it was unnecessary to require an over-abundance of evidence of the use of the trade-mark in question, when the purpose of the procedure set out in section 45 of the Act is solely to rid the register of “dead wood”: see *Éclipse International Fashions Canada Inc. v Shapiro Cohen*, 2005 FCA 64, at para 6; *Austin Nichols & Co., Inc. (doing business*

under the trade name Orangina International Company) v Cinnabon Inc., [1998] 4 FC 569 (FCA), at p 8; *Vêtement Multi-Wear Inc. v Riches, Mckenzie & Herbert LLP*, 2008 FC 1237, at para 20.

[16] Consequently, it would be sufficient for the registered owner of the trade-mark in question to demonstrate even a single sale made in the normal course of trade at any time during the relevant period to justify maintaining the registration: see, among others, *Philip Morris Inc. v Imperial Tobacco Ltd.* (1987), 13 CPR (3rd) 289, at pp 293 and 297; *Promotions C.D. Inc. (Promotions G.B.) v Sim & McBurney*, above, at para 9; *Vêtement Multi-Wear Inc. v Riches, Mckenzie & Herbert LLP*, above, at paras 2 and 22; *Goudreau Gage Dubuc v Ergodyne Corp.* (2008), 70 CPR (4th) 281, at p 3. However, it is important that it be a genuine commercial transaction, and not contrived to protect the registration of the trade-mark: *Philip Morris Inc. v Imperial Tobacco Ltd.*, above, at p 293.

[17] Moreover, no specific form of evidence is required in a proceeding under section 45 of the Act. It is sufficient to describe and demonstrate the use of the trade-mark in question in association with the marketing of wares: *Promotions C.D. Inc. (Promotions G.B.) v Sim & McBurney*, above, at para 9.

[18] Considering the additional evidence submitted by the applicant in this file, namely, Roger Isabelle's affidavit and the exhibits produced to support his allegations, the Court is of the opinion that the applicant conclusively, certainly and amply demonstrated the use of the Mark in its normal course of trade in association with soil and mixed soil during the relevant period (from July 12, 2004, to July 12, 2007).

[19] The applicant, as owner of the Mark, conclusively demonstrated its use of the Mark despite the spelling errors in its corporate name (omission of the “R” in the corporate name “Les Sols R. Isabelle”), which appears on the RI-1 and RI-2 packaging and the RI-3, RI-4 and RI-5 sample invoices.

[20] It is important to specify that soil, by its very nature, is always a mix in that several organic materials make up its composition. All soil can therefore be characterized as mixed soil. Consequently, demonstrating the sale of soil necessarily involves demonstrating the sale of mixed soil, as the two names refer to identical wares.

[21] With the statements contained in the affidavit by the applicant’s president and the various exhibits produced in support of these allegations, the applicant conclusively demonstrated the undoubted use of RI-1 packaging from at least July 12, 2004, to December 31, 2004, and probably during 2005, in the course of selling soil and mixed soil. With the Mark conspicuously marked on RI-1 packaging, the applicant’s sales of soil bagged in RI-1 packaging during the relevant period undeniably constitutes a use of the Mark for commercial purposes.

[22] Furthermore, the submission of an invoice dated August 5, 2004 (Exhibit RI-3), and invoices for the year 2005 filed in a bundle (Exhibit RI-4), proves the existence of at least one sale of bags of soil and mixed soil contained in RI-1 packaging during the applicant’s normal course of trade.

[23] The absence of the Mark on the invoices does not stand in the way of recognizing the use of the Mark in transferring ownership of wares in the applicant's normal course of trade, all the more so since Roger Isabelle stated in his affidavit that these invoices pertain to the sale, in Canada, of soil under the name MIRACLE MIX contained either in RI-1 or RI-2 packaging: see *Goudreau Gage Dubuc v Ergodyne Corp.*, above, at pp 285-286 (TMOB). Given the respondent's failure to cross-examine Roger Isabelle, this Court has no reason to question the truthfulness of the facts adduced by the applicant: see *Sanders v Smart & Biggar Intellectual Property and Technology Law*, above, at para 14.

[24] Consequently, the Court is of the opinion that the evidence undeniably demonstrates a continued use of the Mark in association with soil and mixed soil. In fact, the evidence is that the applicant has sold, since 1996, and continues to sell soil and mixed soil in 30-litre bags on which the MIRACLE MIX Mark is printed very visibly. Therefore, we cannot consider that the Mark was "dead wood" during all of the relevant period, and therefore it cannot be expunged from the trademark register for this reason.

[25] Therefore, it does not seem necessary to rule on the second argument presented by the applicant's counsel that, in any event, it was demonstrated that the Mark had been used on RI-2 packaging from July 12, 2004, to July 12, 2007. In this respect, I shall simply make the following observations.

[26] Firstly, it seems to me that there is no doubt that MIRACLE MIX soil was indeed sold during the relevant period in RI-2 packaging. This is clearly evident in Roger Isabelle's affidavit and the exhibits produced in support of this affidavit.

[27] I would also be inclined to think that the visual appearance of the MIRACLE MIX logo appearing on the RI-2 packaging of MIRACLE MIX soil substantially reproduces the essential attributes of the Mark and therefore constitutes an acceptable variant of the Mark used during the relevant period.

[28] It is well established in the case law that the use of a variant of a registered trade-mark will be considered use of the mark if this variant is not "substantially different" from the registered mark and that it is not misleading to the unaware purchaser. Justice Pratte wrote the following in

Registrar of Trade Marks v CII Honeywell Bull, S.A., [1985] 1 FC 406, at p 525:

The real and only question is whether, by identifying its goods as it did, CII made use of its trade mark "Bull". That question must be answered in the negative unless the mark was used in such a way that the mark 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. The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two 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.

See also: *Honey Dew Limited v Rudd & Flora Dew Co.*, [1929] 1 DLR 449, at p 453; *Promafil Canada Ltée v Munsingwear Inc.* (1992), 44 CPR(3d) 59 (FCA), at pp 71-72 (FCA).

[29] The applicant's counsel referred to several decisions by the Trade-marks Opposition Board in which it was recognized that the mark used could be considered a use of the registered mark

despite the sometimes significant differences between the two marks. At first glance, the RI-2 packaging used by the applicant starting in 2003 seems to reproduce the essential characteristics and substance of the mark as registered. However, as mentioned above, I am not required to rule on this issue in this file and therefore none of what precedes is to be considered a definitive opinion on the matter.

[30] For all of the above-mentioned reasons, the Court orders that the applicant's appeal be allowed and maintains in the trade-mark register registration TMA477,834 for the trade-mark MIRACLE MIX & Design in association with the wares "soil, mixed soil". There are no costs in view of the respondent's consent to this order.

ORDER

THE COURT ORDERS that:

1. The applicant's appeal be allowed;
2. The decision by the Registrar of Trade-marks dated July 6, 2009, ordering registration number TMA477,834 for the trade-mark MIRACLE MIX & Design be expunged from the register in accordance with subsection 45(4) of the *Trade-mark Act*, be set aside;
3. Registration number TMA477,834 for the trade-mark MIRACLE MIX & Design in association with the wares "soil, mixed soil" be maintained in the trade-mark register;
4. Without costs.

"Yves de Montigny"

Judge

Certified true translation
Janine Anderson, Translator

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2134-09

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