

Federal Court



Cour fédérale

**Date: 20171102**

**Docket: T-1947-16**

**Citation: 2017 FC 978**

**Ottawa, Ontario, November 2, 2017**

**PRESENT: The Honourable Madam Justice Roussel**

**BETWEEN:**

**MICRO MATIC A/S**

**Applicant**

**and**

**TAIZHOU TALOS SANITARY CO., LTD.**

**Respondent**

**JUDGMENT AND REASONS**

[1] The Applicant, Micro Matic A/S, is seeking an order pursuant to section 57 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act], striking trade-mark registration No. TMA 942,000 [TMA 942,000] from the register of trade-marks.

[2] The Applicant is a Danish company. It was established in 1953 and operates globally in the supply of beverage dispensing systems and solutions. It has been selling its products in Canada for over twenty (20) years.

[3] The Applicant uses the trade-mark MICRO MATIC as well as the mark MICRO MATIC & Design [collectively the MICRO MATIC Marks] shown below in association with keg valves and draught beer systems :



[4] While not registered in Canada, the Applicant's MICRO MATIC Marks have been registered in several countries, including China, Denmark, Australia, New Zealand, Germany, Norway and the European Union.

[5] The Applicant is also the owner of the copyright of the MICRO MATIC & Design mark.

[6] The Applicant's customers are mainly draught beer equipment suppliers. They in turn sell MICRO MATIC branded products to end users, such as bars and restaurants.

[7] The Respondent, Taizhou TALOS Sanitary Co. Ltd., is a Chinese company. On August 29, 2012, the Respondent filed an application in China to register the MICRO MATIC & Design trade-mark and used the basis of that application to file an international trade-mark application with the World Intellectual Property Organization, selecting 17 designated states, which did not include Canada.

[8] On January 20, 2014, the Respondent filed an application in Canada to register the mark MICRO MATIC & Design, claiming use in Canada since June 18, 2013. The Respondent's

mark was registered without opposition on June 29, 2016 and assigned trademark registration No. TMA 942,000. The mark is shown below:



[9] The goods set out in the registration are as follows:

- (1) Apparatus for drawing up beer under pressure, namely beer casks, beer taps; Aerated beverage-making machines; Washing machines for bottles; Coffee and tea brewing machines; Mineral water making machines; Beer pumps; Pressure-regulating valve.

[10] It is unknown what activities the Respondent carries out in Canada as the Respondent did not file any evidence or submissions and did not attend the hearing despite being duly served.

[11] In addition to opposing the registration of the MICRO MATIC & Design mark in China, the Applicant has successfully challenged either the application or registration by the Respondent of the trade-mark in other jurisdictions, including Denmark, Australia and the United States.

[12] In bringing this application to strike TMA 942,000 from the register of trade-marks, the Applicant relies on three (3) grounds of invalidity. First, the Applicant contends that, pursuant to paragraph 16(1)(a) of the Act, the Respondent was not entitled to secure its registration of the trade-mark, since at the time the Respondent filed its application to register its trade-mark in Canada on January 20, 2014, it was confusing with the Applicant's MICRO MATIC Marks,

which had previously been used in Canada. Thus, in accordance with paragraph 18(1)(d) of the Act, the registration is invalid and should be expunged.

[13] Second, the Applicant relies on paragraph 18(1)(b) of the Act and submits that when this application was commenced on November 16, 2016, the Respondent's trade-mark was non-distinctive as defined in section 2 of the Act, since it was confusing with the Applicant's MICRO MATIC Marks.

[14] Third, the Applicant argues that the Respondent falsely stated in its trade-mark application pursuant to paragraph 30(b) of the Act that the mark had been used in Canada since June 18, 2013.

[15] Given my conclusion that TMA 942,000 should be struck from the register on the basis of non-entitlement, it is not necessary for me to address the Applicant's other two (2) grounds of invalidity.

[16] As a general rule, the registration of a trade-mark in respect of goods or services gives the owner of the trade-mark the exclusive right to use it throughout Canada unless it is shown to be invalid.

[17] Pursuant to paragraph 18(1)(d) of the Act, the registration of a trade-mark is invalid if the applicant for registration was not entitled to secure its registration.

[18] Entitlement to registration is governed by section 16 of the Act. Where a trade-mark has been used or made known in Canada, one must refer to subsection 16(1) of the Act. In essence, this provision gives priority rights to the first user of the trade-mark and codifies the common law principle that the use of a trade-mark confers the exclusive right to the trade-mark, not its registration (*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at paras 35-36 [*Masterpiece*]; *TLG Canada Corp v Product Source International LLC*, 2014 FC 924 at para 49).

[19] In other words, in order to show that the Respondent was not the person entitled to the registration of TMA 942,000, the Applicant must first establish that when the Respondent began using TMA 942,000, it was confusing with the Applicant's MICRO MATIC Marks and secondly, that the Applicant had prior use of its trade-mark in Canada.

[20] In the case before me, there is no serious doubt that the marks are confusing. The marks themselves appear to be identical. The name and style of lettering look the same as well as the drops used in the design. Moreover, the goods associated with the trade-mark are nearly identical as both relate to draught beer and beverage dispensing equipment. It is my view that as a matter of first impression, the "casual consumer somewhat in a hurry" or the "ordinary person having a vague recollection of another mark" would likely be confused and would likely believe that the goods originate from the same person (*Masterpiece* at paras 40-41; *American Assn of Retired Persons v Canadian Assn of Retired Persons*, [1998] FCJ No 1806 at para 30).

[21] In addition, the evidence adduced by the Applicant demonstrates that the Applicant enjoyed priority rights over the Respondent.

[22] The Canadian Intellectual Property Office data base report relating to TMA 942,000 shows that the Respondent claims use in Canada since June 18, 2013. However, the affidavit sworn by the Applicant's Group Supply Chain Director, who has held this position since 2010, indicates that the Applicant has been selling its products in Canada "for over 20 years" and that the Applicant has used the MICRO MATIC Marks in Canada in association with keg valves and draught beer systems "for decades". While these statements could have been more precise, the affiant further states that the Applicant "has sold between \$1,500,000 and \$3,000,000 annually of MICRO MATIC branded goods in Canada from 2011 to 2015". The Applicant has also included an affidavit from the Manager of Draught Services, a division of Brewers Retail Inc., stating that Draught Services has been buying MICRO MATIC products for at least the past twenty (20) years, that the MICRO MATIC brand name is well-known in the beer-related dispense equipment industry in Canada and that he is not aware of other companies in Canada that use a trade-mark similar to either of the MICRO MATIC Marks.

[23] As the Applicant clearly enjoyed prior use of the MICRO MATIC Marks in Canada, the Respondent was not entitled to the registration of TMA 942,000 pursuant to paragraph 16(1)(a) of the Act. Thus, the registration of the trade-mark is invalid pursuant to paragraph 18(1)(d) of the Act and should be expunged from the register of trade-marks under section 57 of the Act.

[24] For these reasons, the application to strike trade-mark registration No. TMA 942,000 from the register of trade-marks is hereby allowed with costs, which in the exercise of my discretion, are fixed at \$3,000.00.

**JUDGMENT in T-1947-16**

**THIS COURT ADJUGES AND ORDERS that:**

1. The Applicant's application under section 57 of the *Trade-marks Act*, RSC 1985, c T-13 is allowed;
2. The Respondent's trade-mark registration No. TMA 942,000 shall be struck from the register of trade-marks under section 57 of the *Trade-marks Act*, RSC 1985, c T-13;
3. The Applicant is entitled to costs in the amount of \$3,000.00.

"Sylvie E. Roussel"

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Judge



**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1947-16

**STYLE OF CAUSE:** MICRO MATIC S/A v TAIZHOU TALOS SANITARY CO., LTD.

**PLACE OF HEARING:** OTTAWA, ONTARIO

**DATE OF HEARING:** MAY 8, 2017 AND OCTOBER 26, 2017

**JUDGMENT AND REASONS:** ROUSSEL J.

**DATED:** NOVEMBER 2, 2017

**APPEARANCES:**

Daniel M. Anthony

FOR THE APPLICANT

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FOR THE APPLICANT