

Federal Court



Cour fédérale

Date: 20230220

Docket: T-954-22

Citation: 2023 FC 243

Ottawa, Ontario, February 20, 2023

PRESENT: Madam Justice Pallotta

BETWEEN:

IPACK B.V.

Applicant

and

MCINNES COOPER

Respondent

JUDGMENT AND REASONS

[1] This is an appeal made pursuant to subsection 56 of the *Trademarks Act*, RSC 1985, c T-13 [TMA]. The applicant, IPack BV (IPack), appeals a decision of a member of the Trademarks Opposition Board on behalf of the Registrar of Trademarks (Registrar) that expunged trademark registration number TMA701,559 for the mark LUCIFER from the Trademarks Register.

[2] The respondent did not participate in the appeal.

[3] Section 45 of the *TMA* provides for a summary procedure that empowers the Registrar to expunge a registration for a trademark that has fallen into disuse: *Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 9 [*Hilton Worldwide*]. At the respondent's request, the Registrar issued a section 45 notice for registration number TMA701,559 that required IPack, as the registered owner, to show LUCIFER was used in Canada with the registered goods, beers and ales, between October 8, 2017 and October 8, 2020 (Relevant Period).

[4] In response to the section 45 notice, IPack filed an affidavit of Michel Moortgat, managing director of IPack, dated March 18, 2021 (Moortgat Affidavit). The Moortgat Affidavit states that IPack granted the Belgian company Het Anker an exclusive license to use the mark LUCIFER, and Het Anker imported and sold LUCIFER branded beer and ale in Canada during the Relevant Period. The exhibits to the Moortgat Affidavit include invoices that were issued by Het Anker, showing sales of LUCIFER goods in 2017 and 2018, as well as photographs of LUCIFER branded goods sold during the Relevant Period.

[5] The Registrar did not express a concern with the evidence of Het Anker's use of LUCIFER in Canada with beer and ale; however, the Registrar was not satisfied the evidence established that IPack exercised the requisite control over the character and quality of goods sold by Het Anker. Consequently, the Registrar found the evidence fell short of establishing that Het Anker's use of the LUCIFER mark enured to IPack's benefit. Since the registered owner had not established use of the mark during the Relevant Period, the Registrar expunged the registration. The Registrar stated the decision would have been different if Mr. Moortgat had attested that

IPack controlled the character or quality of the goods during the Relevant Period, or if he had provided a copy of the license agreement establishing the requisite control.

[6] On this appeal, IPack filed evidence that was not before the Registrar: *TMA*, s 56(5).

IPack submits the additional evidence demonstrates the requisite control over the character and quality of the goods Het Anker sold in Canada during the Relevant Period, and IPack asks the Court to set aside the Registrar's decision.

[7] The applicable standard of review depends on the additional evidence IPack filed. The Court conducts a correctness review, in the nature of a *de novo* appeal, with respect to issues for which there is new evidence that would have affected the Registrar's decision materially: *Hilton Worldwide* at para 47; *The Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at para 21 [*Clorox*]; see also *Sea Tow Services International, Inc v Trademark Factory International Inc*, 2021 FC 550 at paras 15 and 17 [*Sea Tow Services*]. Otherwise, the Court reviews the Registrar's decision according to the appellate standard of review set out in *Housen v Nikolaisen*, 2002 SCC 33; *Clorox* at paras 22-23; *Sea Tow Services* at para 18.

[8] IPack's new evidence consists of an affidavit of Christophe Dupont, Intellectual Property Counsel of IPack, dated June 3, 2022 (Dupont Affidavit). IPack submits the Dupont Affidavit provides the very evidence the Registrar indicated would have led to a different decision. It describes the relevant corporate history of IPack, and sets out the chain of title to the registration. Mr. Dupont attests that IPack maintained direct control over the quality of the goods sold by Het Anker during the Relevant Period. A copy of the license agreement between IPack and Het

Anker is an exhibit to the Dupont Affidavit and Mr. Dupont attests it was in force during the Relevant Period.

[9] Materiality is a matter of quality, not quantity: *Align Technology Inc v Osstemimplant Co*, 2022 FC 720 at para 15 [*Align*]. The test is not whether the new evidence would have changed the Registrar's mind, but rather whether it would have had a material effect on the decision: *Sea Tow* at para 16, citing *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 at para 49. New evidence may be material if it fills gaps or remedies a deficiency identified by the Registrar: *Align* at para 15, citing *Beverly Hills Jewellers MFG Ltd v Corona Jewellery Company Ltd*, 2021 FC 674 at paras 38-39.

[10] I find IPack's additional evidence would have affected the Registrar's decision materially. Therefore, the Court may exercise any discretion vested in the Registrar, which entails conducting a *de novo* appeal: *Clorox* at para 21. In such circumstances, the Court reviews the issue to which the evidence pertains on a correctness standard, and makes its own determination based on the whole of the evidence: *TMA*, s 56(1); *Clorox* at para 21; *Align* at para 13.

[11] The use threshold in section 45 proceedings is not stringent, and evidentiary overkill is not required: *Sim & McBurney v en Vogue Sculptured Nail Systems Inc*, 2021 FC 172 at para 14 [*en Vogue*]. An affidavit or statutory declaration will suffice if it provides a factual description of the use of the impugned trademark demonstrating that the requirements for use under section 4 of the *TMA* are met: *Spirits International BV v BCF SENCRL*, 2012 FCA 131 at para 8 [*Spirits International*]. To establish use of a trademark in the normal course of trade, evidence of a

single sale may be sufficient, depending on the circumstances: *en Vogue* at para 14. In section 45 proceedings the registered owner must show that it used the trademark during the relevant period, or that the trademark was used by another person whose use accrued to the owner's benefit: *Spirits International* at para 7.

[12] IPack submits the Moortgat Affidavit establishes that the LUCIFER mark was used, within the meaning of section 4(1) of the *TMA*, in association with the registered goods, namely beers and ales. Het Anker sold goods bearing the LUCIFER mark in Canada during the Relevant Period, in the normal course of trade. The Moortgat Affidavit attaches invoices and photographs as evidence.

[13] I agree. IPack has established that Het Anker used LUCIFER in Canada in association with beers and ales during the Relevant Period.

[14] The next issue is whether the evidence establishes that IPack exercised the requisite degree of control over the character and quality of the goods Het Anker sold in Canada. When the owner of a trademark registration relies on use of its trademark by another person, the owner bears the onus of establishing direct or indirect control of the character or quality of the goods or services in question, such that the other person's use enures to the owner's benefit: section 50 of the *TMA*; *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120 at para 36 [*Live!*], citing *Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102 at para 84, *aff'd* 2011 FCA 340; see also *Clorox* at para 56.

[15] In *Live!*, the Federal Court of Appeal set out three ways an owner may demonstrate the control required to benefit from subsection 50(1) of the *TMA* (at paragraph 24):

- i. the owner could clearly swear to the fact that it exerts the requisite control;
- ii. the owner could provide evidence that demonstrates it exerts the requisite control;
- iii. the owner could provide a copy of a license agreement that explicitly provides for the requisite control.

[16] IPack submits it has met its onus with the Dupont Affidavit, which establishes the requisite control in all three ways.

[17] I agree. The Dupont Affidavit establishes that IPack maintained control over the character and quality of LUCIFER branded beer and ale that Het Anker brewed, imported into Canada, and sold during the Relevant Period. Mr. Dupont attests that IPack maintained direct control over the quality of LUCIFER branded beer and ale, and that IPack actually exercised control by at least annual inspection of the beer and ale produced by Het Anker under licence, to conclude that it met IPack's standards. The Dupont Affidavit also attaches a copy of the license agreement and its translation. The agreement provides that LUCIFER branded product must comply with IPack's specified characteristics, it gives IPack the right to monitor Het Anker's compliance with the specified characteristics and other requirements at any stage in the brewing process, and it includes other terms demonstrating IPack's control over the character and quality of the licensed goods. I find the Dupont Affidavit establishes that Het Anker's use of the LUCIFER trademark enured to IPack's benefit.

[18] In conclusion, the appeal is allowed and the Registrar's decision will be set aside. The evidence establishes that registration number TMA701,559 should be maintained.

[19] Since the respondent did not oppose the appeal, IPack does not seek an award of costs.

JUDGMENT in T-954-22

THIS COURT'S JUDGMENT is that:

1. The appeal is allowed.
2. The Registrar's decision expunging registration number TMA701,559 is set aside,
and the registration is maintained.
3. No costs are awarded.

"Christine M. Pallotta"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-954-22

STYLE OF CAUSE: IPACK B.V. v MCINNES COOPER

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: NOVEMBER 8, 2022

JUDGMENT AND REASONS: PALLOTTA J.

DATED: FEBRUARY 20, 2023

APPEARANCES:

Dino P. Clarizio

FOR THE APPLICANT

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