

BETWEEN:

1963
Apr. 8
Jun. 14

GORDON A. MACEachern LTD. APPLICANT;

AND

NATIONAL RUBBER CO. LTD. RESPONDENT.

Trade mark—Trade Marks Act R.S.C. 1952, c. 49, ss. 4(1), 6, 16, 37, 58—Application for order to expunge respondent's trade mark—"Heel Pruf"—"Heelpruf"—"Rubber matting"—"So associated"—Prior use—Affidavit and invoices—Evidence of notification and use—Application granted.

Applicant had used in Canada the trade mark "Heel Pruf" since January 1959, in respect of floor matting. Respondent on November 18, 1959, applied for and obtained registration of the trade mark "Heelpruf" used in association with wares described as rubber matting. A motion for an order expunging respondent's trade mark was brought by the applicant on the ground that it was confusing with its own trade mark. It presented an affidavit of its president and two company invoices as evidence of prior use. Respondent contended that the applicant failed to discharge the onus imposed on it of establishing invalidity and that an invoice did not constitute use in association with wares. The Court found the trade marks confusing and practically identical.

Held: That an order go expunging respondent's trade mark.

2. That the applicant had discharged the onus of proof on it and had established that it was the first user of the trade mark and had not abandoned it.
3. That the invoices were to be taken in conjunction with the affidavit and showed a continuous number of sales from January, 1959, to January 31, 1962, the date of the affidavit.
4. That the reception of the invoices by the buyers with the trade mark inscribed thereon in association with the goods was sufficient evidence of notification and use required by s. 4(1) of the *Trade Marks Act*.

APPLICATION for order expunging trade mark.

The application was made before the Honourable Mr. Justice Noël at Ottawa.

Christopher Robinson, Q.C. for the motion.

Gordon F. Henderson, Q.C. contra.

The facts and questions of law raised are stated in the reasons for judgment.

NOËL J. now (June 14, 1963) delivered the following judgment:

This is a motion for an order expunging the registration made on May 27, 1960, under the *Trade Marks Act*, R.S.C.

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1952, c. 49 of the trade mark "Heelpruf" which was registered as of November 18, 1959, under the respondent's application for use in association with wares described as "rubber matting".

The motion for expungment was commenced by a notice of motion filed in this Court on February 7, 1962.

Section 56(1) of the *Trade Marks Act* provides as follows:

56 (1) The Exchequer Court of Canada has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of such application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

The validity of the registration here is attacked on the ground that pursuant to s. 16(3) of the *Trade Marks Act* the respondent was not the person entitled to registration of the said trade mark "Heelpruf" because at the date of the filing of the application for the said registration, namely November 18, 1959, the said trade mark was confusing with the trade mark "Heel Pruf" which had been used in Canada by the applicant since at least January 1959 in respect of floor matting.

Section 16, s-ss. (3)(a), (4) and (5) of the *Trade Marks Act* provide that if one files an application of a proposed trade mark, then he is entitled to obtain its registration if, at the date he has filed the trade mark he applied for, it was not confusing with:

(a) a trade mark that had been previously used in Canada or made known in Canada by any other person;

The trade marks of the respondent and of the applicant here are not only confusing, but practically identical except that in the case of the respondent, the letters are spelt out in one word whereas in the applicant's case, there is a space between "Heel" and "Pruf" and because of this they are certainly confusing within s. 6 of the *Trade Marks Act*.

In the present instance, respondent's application, according to the true copy of file 253989 of the Trade Marks Office, was filed on November 18, 1959, its affidavit of use was filed on May 17, 1960, and the registration was obtained on May 27, 1960.

As this was an application for registration of a proposed trade mark, the critical date under s. 16(3) of the *Trade*

Marks Act is the date on which the application was filed, i.e. November 18, 1959. If on that date there had been no prior use of a confusing mark, the respondent's registration would be good; however, if there had been prior use by the applicant as it so contends here, the respondent's registration would not be good.

The evidence in the present case was presented by means of an affidavit of Mr. Gordon MacEachern, the president of the applicant company, and two invoices of the latter company, as permitted by s. 58(3) of the *Trade Marks Act* which provides that:

58. . . .

(3) The proceedings shall then be heard and determined summarily on evidence adduced by affidavit unless the court otherwise directs, in which event it may order that any proceedings permitted by its rules and practice be made available to the parties, including the introduction of oral evidence generally or in respect of one or more issues specified in the order.

Mr. MacEachern's affidavit states *inter alia* that the applicant company is engaged in the business of building maintenance and floor finishing and in the sale of floor mats made of vinyl plastic.

Although, as we have seen, respondent's trade mark states that it is in association with "rubber matting" and the affidavit of the applicant's president mentions vinyl plastic, it would appear that nothing turns on this apparent difference as, according to counsel for the applicant, when one speaks of "rubber matting" one speaks of matting generally be it tile, plastic or rubber. This is also confirmed by a letter from the respondent to the Trade Marks Office when, after the advertisement, the respondent's patent attorney wrote to the Trade Marks Office for the purpose of changing the description from "rubber matting" to "matting". Upon the office's refusal to change this description, he wrote back and acquiesced to this decision adding that in his view rubber matting is taken by the public to mean matting no matter whether it is in fact rubber or some other kind of plastic.

Mr. MacEachern's affidavit then states:

4. That in January, 1959, the applicant company commenced the sale in Canada of floor mats under the name HEEL PRUF and has, since that time, made substantial sales of mats in association with the said name HEEL PRUF.
5. That attached hereto and marked Exhibit A to this my affidavit are two invoices by my company in the month of January, 1959,

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for floor mats in association with the said name HEEL PRUF, the said invoices being respectively No. 4158, dated January 19, 1959, and No. 4688, dated January 27, 1959.

The two invoices mentioned in the above affidavit are related to two sales, one on January 19, 1959, and the other on January 27, 1959. The first invoice (January 19, 1959) deals with the sale of a "white Ulta Mat HEEL PRUF for recess w/'EIDorado' in Gold" for a price of \$110.40 to Silverton Construction Co. Limited, Toronto, Ontario. The second invoice (January 27, 1959) deals with the sale of a "Heel Pruf Vinyl Link Mat /w alternating Terra Cotta & Black Squares—approximately 3" square w/ Terra Cotta nosings—bevelled on front, Butt on three sides" for a price of \$104.88 to Medical Arts Building, Toronto, Ontario.

Now use in the *Trade Marks Act* is defined 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 such 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.

The applicant in the present case contends that the sales evidenced by the two above invoices on which appear the trade mark "Heel Pruf" is evidence of use as provided for by the words in s. 4(1), particularly with respect to the following, "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", and that the two above invoices establish two normal sales in the ordinary course of business or in the normal course of trade as required by this section.

Counsel for the applicant submits that those two invoices bring to the attention of a purchaser of these goods that these goods are being sold as "Heelpruf" and, therefore, the required notice of association of the trade mark and the goods has been made within the meaning of s. 4(1) of the Act.

Section 18(1) of the Act provides that a registration is invalid in the case of (a), (b), (c) and

subject to s. 17, . . . if the applicant for registration was not the person entitled to secure the registration.

The applicant submits here that the respondent was not entitled to secure the registration of the trade mark as it did because at the time it applied, the applicant company had used the trade mark.

Section 18 referred to above is, however, as we have seen, subject to s. 17(1) of the Act which provides in effect that a registration will not be expunged on the ground of a prior use by somebody else unless the applicant for expungment is the person who has previously used or made known the confusing trade mark or trade name and that person must show that he had not abandoned the trade mark at the date of advertisement of the respondent's application.

According to the applicant, the only person who had in fact used the trade mark first, and therefore can attack it, would be the applicant and he therefore must, in order to successfully do so, establish that he had not abandoned the trade mark at the date of advertisement which here, as we have seen, is March 30, 1960.

The applicant submits that such evidence of non-abandonment has been established by Mr. MacEachern's affidavit, dated January 31, 1962, which, as we have seen, states that the applicant company has made substantial sales under the trade mark since the date of first use which goes back to January 1959. As the advertisement took place on March 30, 1960, the applicant submits that there is, therefore, proof of fourteen months of use or sale of goods associated with the trade mark.

The applicant therefore requests that the respondent's registration be expunged because it was not the person entitled to the registration under s. 16(3) of the Act since, at the date of application, the mark had been used previously by Gordon MacEachern Limited, that the latter had not abandoned it at the date of advertisement and that hence the registration is invalid under s. 18 of the Act.

As s. 19 of the Act gives to the registrant of a trade mark a statutory right to use that trade mark, it is incumbent upon the applicant to show the mark to be invalid and the latter, therefore, has the burden of establishing this invalidity.

The respondent challenges the evidence of the applicant on the basis that the applicant has failed to meet the onus imposed on it. Indeed, according to the respondent, the evi-

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dence submitted by the applicant to establish that the latter used the mark before respondent and had not abandoned it as at the date of advertisement is not sufficient to enable him to succeed. Respondent asserts that the invoices produced by the applicant are not sufficient to establish use nor even sufficient to establish anything relating to a trade mark and that the affidavit, at paragraph 4, does not state specifically that there was any trade mark used. It speaks of a trade name or the name of a product and it is not even asserted that there is a relationship of mark and wares. The notice of motion uses the words "trade mark Heel Pruf" but the affidavit is very careful not to use the words trade mark. It does not say that "Heel Pruf" is a Gordon MacEachern's product and there is nothing there identifying it with these wares.

Mr. MacEachern in his affidavit does use the word "name" instead of the word "mark" in relation to "Heel Pruf". Now, to call a word applied to or used in association with wares a name may, in some cases, be a misnomer such as here; it does not, however, follow, as suggested by the respondent, that because of this the applicant has not established anything relating to a trade mark. Indeed, the notice of motion, which is supported by the affidavit, describes "Heel Pruf" as a trade mark and the context, in paragraph 4 of the affidavit, indicates also that the word name is used in the sense of a mark. As for the relationship of the mark and wares of the applicant, paragraph 4 of the affidavit, as well as the notice of motion, clearly set out this relationship. This, in my opinion, is sufficient to dispose of respondent's first contention.

Respondent's basic submission, however, is that an invoice does not constitute use in association with wares.

According to s. 4(1) of the Act there must be an association of mark and wares at the time of transfer of the property in or possession of such wares. In the present case the respondent submits that there is no evidence that there was any transfer of the property in any wares at all; the evidence does not indicate that the invoices and goods or wares were even sent or that they were ever received; that incidentally the invoices are copies and not the originals; that use under s. 4(1) of the Act must be given in respect to certain conditions, i.e. in the normal course of trade and one isolated transaction or instance is not enough adding

that evidence should have been adduced by the applicant establishing that this transaction was not just a single transaction or a single invoice and that finally the association of mark and wares must be notified to the person to whom property or possession is transferred.

The two invoices produced by the applicant must not be taken alone but in conjunction with Mr. MacEachern's affidavit and particularly paragraphs 2 to 5 thereof. If this is done, it then appears that the applicant began to sell mats "under the mark HEEL PRUF in January 1959 and that since that date to the date of the affidavit, i.e. January 31, 1962, it had made substantial sales in association with the words HEEL PRUF". Evidence is therefore shown of a continuous number of sales from January 1959 to January 31, 1962, which, of course, covers the period of March 30, 1960.

In my opinion, the expression in the affidavit "has since that time made substantial sales" implies sales going on at the time of the signing of the affidavit and that these sales have been made over the period between the time of the first sale to the time that the affidavit was sworn to.

Such is, I believe, the normal interpretation to be given to this expression and I cannot accept respondent's submission that this expression would merely indicate that substantial sales had been made prior to the date of advertisement.

The two invoices indicate a date for the first sales of the applicant and the manner in which "Heel Pruf" has been associated with its wares or goods. They are however only two of many sales made by the applicant and are, therefore, used also as an illustration of the manner in which all the other sales of the applicant were made.

Blackstone defines sales as a "transmutation of property from one man to another in consideration of some price."

Mr. MacEachern's sworn statement that substantial sales were made by his company therefore establishes that many transmutations of property were made from his company to a number of buyers and the normal inferences to be drawn from this is that sales having been made for a price, the goods sold as well as the invoices must have been delivered. Now, had respondent required further particulars with respect to the evidence contained in the affidavit and

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the two invoices, he could have, under Rule 165 of the Exchequer Court Rules, cross-examined Mr. MacEachern with respect to the broad statement he made as to the substantial sales made by his company as well as require production or examination of the original invoices.

I am therefore of the opinion that respondent must fail here also; indeed, the applicant has established the necessary transfers of property, in the normal course of trade; the evidence indicates that we have here not one isolated sale but many sales and the invoices with the trade mark indicated thereon in association with its wares which invoices, as we have seen, by inference must be taken to have been received by the buyers, are sufficient notification under s. 4(1) of the Act to establish use.

The applicant has also established continuous use through to the time of March 30, 1960 as well as showing that it at no time intended to abandon the mark. I am satisfied that such is the effect of the evidence submitted in the present instance and may I add that the "*Nodoz*" case¹ referred to by the respondent has no application here. Indeed, in that case there was evidence of one sale only over a period of five years and that sale had not even been proven to the satisfaction of the Court. In the present instance, as we have seen, we have sworn evidence of many sales.

I would now like to deal with the respondent's suggestion that the words "so associated" in s. 4(1) of the Act had a rather special meaning in that they would be related to the preceding words and not to the words that follow "so associated" which are "that notice of the association is then given to the person to whom the property or possession is transferred". After examining the French text of s. 4(1) of the Act it appears clearly to me that respondent's submission in this regard is partly correct in so far as the words "at the time of the transfer of the property in or possession of such wares" and the words "in the normal course of trade" apply to the three cases mentioned in this section: (1) if the trade mark is marked on the wares, (2) on the packages, (3) 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.

¹ [1962] R.P.C. 1.

I cannot agree, however, with respondent's suggestion that the latter part of s-s. (1) of s. 4 is not related to the words "so associated". Indeed, if one takes the French text, the above words are translated by the words "lié aux marchandises au point" which, of course, mean associated or bound to the wares to a point "that notice of the association is then given to the person to whom the property or possession is transferred". The words "so associated" appear clearly here to have a very close relationship to the words which follow as the former express the sort of association of the trade mark with the wares required to establish notice under the Act.

Now the question as to whether an invoice or invoices with the inscription of the trade mark thereon in association with wares are associated to a point that the receiver would thereby get notice of the association is, of course, a question of fact.

Having decided that proof of a number of sales or transmutations of goods or wares is before this Court and that in all cases invoices were forwarded and received by the buyers, I have no difficulty in finding that the reception of these invoices with the trade mark inscribed thereon in association with the goods, in the normal course of trade of the applicant company, is sufficient evidence of notification and of use as set down in s. 4(1) of the Act and that, consequently, the trade mark is thereby "so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred".

Before concluding I would like to deal with a preliminary objection raised by the respondent with regard to the fact that the applicant did not oppose the respondent's application for registration when it might have under s. 37 of the Act. There appears to be nothing in this section or in the Act which obliges one to oppose it; indeed, the language used is "within one month from the advertisement of an application, any person may, upon payment of the prescribed fee, file a statement of opposition with the registrar". This, I believe, clearly indicates that the procedure contemplated is not compulsory and if not exercised shall not prevent an interested person from using subsequently another means of attacking a registration such as the present motion of expungment.

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I am therefore satisfied that the applicant has discharged the onus of proof which was incumbent on it and has established that it was the first user of this trade mark and that it had not abandoned it on the date of advertisement of the respondent's application.

There will be judgment ordering the expungement from the registry of Trade Marks of the word mark "Heelpruf" registered by the respondent as of May 27, 1960 under number 118302. The applicant is entitled to the cost of the application.

Judgment accordingly.