

Federal Court



Cour fédérale

Date: 20180824

Docket: T-1813-17

Citation: 2018 FC 855

Ottawa, Ontario, August 24, 2018

PRESENT: The Honourable Madam Justice Gagné

BETWEEN:

GEOX S.P.A.

Applicant

and

GIUSEPPE DE LUCA

Respondent

JUDGMENT AND REASONS

I. Background

[1] Mr. Giuseppe De Luca is the owner of Canadian trade-mark registration No. TMA 375,888 for the trade-mark ANFIBIO & Dessin [the Mark]. At the request of Geox S.p.A., the registrar of Trade-marks amended the registration to delete the goods “souliers” (shoes) from the statement of goods, but refused to expunge the registration in its entirety. The registrar was satisfied that Mr. De Luca had provided sufficient evidence that the Mark had been used in

association with the goods “bottes” (boots) within the period of three years immediately preceding the notice sent pursuant to section 45 of the *Trade-marks Act*, RSC, 1985, c T-13 [the Act].

[2] Geox S.p.A. appealed the registrar’s decision, arguing that Mr. De Luca’s licensee, Chaussures De Luca Montréal Inc., used a variant of the trade-mark and not the registered Mark, that it did not use the Mark in association with the goods “boots”, and that in any event, no use of the Mark benefitted Mr. De Luca.

[3] The withdrawal of the goods “shoes” from the registered Mark is not at issue before me.

[4] For the reasons set out below, I am of the view that this Court’s intervention is not warranted and that this appeal should be dismissed.

II. Registrar’s Decision

[5] The registrar found the Mark was used in such a way that it did not lose its identity and remained recognizable despite the differences between the form in which it was registered and the form in which it was used.

[6] She found that although the exclusive use agreement between Mr. De Luca and Chaussures De Luca Montréal Inc. [the License Agreement] did not specifically allow the use of a variant of the Mark, it was not inherently fatal since the variant used by the licensee was still the same trade-mark as the Mark.

[7] The affidavit evidence satisfied her that during the relevant period, a label bearing the Mark was attached to the boots, which were in boxes also bearing the Mark, at the time the goods were sold by the licensee to retailers.

[8] Finally, she found that the copyright notices referring to a third party, which appeared on the licensee's website during the relevant period, did not contradict the evidence of the Mark's use by Mr. De Luca or the licensee.

III. Issues and Standard of Review

[9] Geox S.p.A. raises the following issues:

- A. *Did the registrar err in finding that the use of a variant of the Mark complied with section 50 of the Trade-marks Act?*
- B. *Did the registrar err in finding that the Mark as registered was used in association with the goods "boots" within the relevant period?*
- C. *Did the Respondent fail to show any use of the Mark benefitting him such that the registration should be expunged?*

[10] There is no dispute between the parties on the applicable standard of review. Where no new evidence is filed in an appeal of the registrar's decision in respect of section 45 of the Act, the standard to be applied is that of reasonableness (*Dollar General Corporation v 2900319 Canada Inc*, 2018 FC 778 at para 11).

[11] No new evidence was adduced before me and the only evidence is that contained in the certified copy of the registrar's file. I will therefore review her decision on the reasonableness standard and refrain from intervention in the absence of unreasonable findings.

IV. Analysis

[12] The purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for cleaning up the "deadwood" from the register. The applicable test is not very stringent but the mere assertion by the owner that his trade-mark is in use is not sufficient. The owner needs to adduce sufficient evidence for the decision maker to be able to form an opinion as to how, when and where the trade-mark is being used, while maintaining a sense of proportion and avoiding evidentiary overkill (*Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448 at para 44).

A. *Did the registrar err in finding that the use of a variant of the Mark complied with section 50 of the Trade-marks Act?*

[13] Geox S.p.A. argues that Mr. De Luca cannot rely upon the use of an unauthorized variant of the Mark by the licensee to show use of the Mark. In Geox S.p.A.'s view, the License Agreement does not allow the Licensee to create and use variants of the Mark, and any variant of the Mark used by the licensee is distinct from the Mark, such that use of a variant cannot amount to use of the licensed Mark. As such, Geox S.p.A. submits that the use, advertisement or display of the variant was not use of the Mark under the License Agreement and that section 50 of the Act does not apply.

[14] In section 45 proceedings, the use shown must either be use by a mark's owner or use that enures to the benefit of the owner, such as use by a licensee as contemplated by section 50 of the Act (*Spirits International BV v BCF SENCRL*, 2012 FCA 131 at para 7; *Star-Kist Foods Inc v Canada (Registrar of Trade Marks)* (1988), 20 CPR (3d) 46 (FCA) at 51-52).

[15] Subsection 50(1) of the Act deems a licensee's use of a trade-mark to have the same effect as the use by the registered owner if the registered owner maintains direct or indirect control over the character and quality of the goods and services. As such, to benefit from the deeming provision, the owner must show (1) use, advertisement or display of the trade-mark by the licensee, and (2) direct or indirect control over the character or quality of the goods and services.

(1) Use, advertisement or display of the trade-mark

[16] Geox S.p.A. submits that using a variant of the Mark does not amount to use of the Mark itself.

[17] However, "Canadian law does not incorporate a linear view of trademark registration but can tolerate multiple variants of a mark" (*Promafil Canada Ltée v Munsingwear, Inc*, [1992] FCJ No 611 at para 37).

[18] The applicable legal principle is that "deviations from the registered design must not change the distinctiveness of the mark; it must retain its dominant features" (*Pizzaiolo Restaurants Inc v Les Restaurants La Pizzaiolle Inc*, 2016 FCA 265 at para 16). As stated by

Justice Louis Pratte in *Canada (Registrar of Trade Marks) v Cie internationale pour*

l'informatique CII Honeywell Bull SA, [1985] 1 FC 406 at para 5, the practical test to be applied

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.

[19] The evidence shows that the licensee used a slight variant of the Mark.

[20] As registered, the Mark shows a penguin facing right on the left side of the word ANFIBIO written in capital letters. The word ANFIBIO is surrounded by an oval. The capital letters seem to be slightly bigger than half of the penguin's height.

[21] The variant of the Mark used by the licensee shows a similar penguin also facing right on the left side of the capitalized word ANFIBIO, which is written in the same font. The relation in height between the penguin and the letters is the same; however, the word ANFIBIO is written with slightly wider letter-spacing. In addition, the word ANFIBIO is not surrounded by an oval. Instead, the words "bottes imperméables" are written above it, and the words "waterproof boots" are written underneath it in small characters. In certain instances, we can also see a horizontal line or the mention "Made in Canada" and a maple leaf below the penguin and words.

[22] In my view, the registrar's decision with respect to the use of the Mark was within the range of acceptable and defensible outcomes. Although the Mark was slightly modified by the Licensee, it nevertheless retained the dominant features of the registered Mark, namely the

penguin standing on the left side and facing towards the right, and the word ANFIBIO written in capital letters. As a result, use of the variant is akin to use of the registered Mark.

(2) Direct or indirect control over the character or quality of the goods and services

[23] The owner must also demonstrate that he maintained control over the character or quality of the goods and services.

[24] Control may be demonstrated by one of three main methods (*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102 at paras 83-84, aff'd 2011 FCA 340):

[84] There are three main methods by which registered owners of trade-marks can demonstrate the control required to benefit from the deeming provision in section 50(1) of the Act:

1. they can clearly swear to the fact that they exert the requisite control: see, for example, *Mantha & Associés/Associates v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354 (Fed. C.A.), at paragraph 3;
2. they can provide evidence that demonstrates that they exert the requisite control: see, for example, *Eclipse International Fashions Canada Inc. v. Shapiro Cohen*, 2005 CAF 64, at paragraphs 3-6; or
3. they can provide a copy of a license agreement that explicitly provides for the requisite control.

[25] In his affidavit, Mr. De Luca states that he is the founder of the licensee, Chaussures De Luca Montréal Inc., which he sold in 1991 while retaining the ownership of the Mark.

[26] He affirms that during the relevant period, the Mark was used by the licensee at the condition expressed in the License Agreement that the goods be of quality. He affirms that he controls the quality and features of the goods that bear the Mark by regular visits to different footwear stores located in Montréal, including during the relevant period.

[27] He adds that the Mark has been modified slightly in order to modernize it but that the essential elements of the Mark have been retained. He specifically refers to the penguin located to the left of the capitalized word ANFIBIO. In his view, the addition of the words “bottes imperméables” and “waterproof boots” only serves to inform consumers that the boots are waterproof.

[28] Mr. Franco Rota, Director, Treasurer and Controller of the licensee has also affirmed an affidavit, in which he explains the licensee has been using the Mark since 1991 in accordance with the terms of the exclusive License Agreement with Mr. De Luca. Pursuant to the License Agreement, the licensee must ensure the quality of the goods sold in association with the Mark, improve the goods and develop new goods with similar characteristics. Failure to do so may lead to a notice of default and termination of the License Agreement. Mr. Rota adds that, as of the date of his affidavit, Mr. De Luca had never sent a notice of default to the licensee.

[29] Mr. Rota’s affidavit also describes how the licensee used the Mark in association with the goods to the benefit of Mr. De Luca and paid him royalties based on the sales of the goods to retailers and consumers during the relevant period.

[30] In my view, the registrar rightfully found that there were sufficient elements establishing the owner's control over the character and quality of the goods bearing the Mark. Geox S.p.A. did not refer to any authority supporting its proposition that section 50 of the Act was not met in the circumstances of this case.

[31] While the License Agreement does not specifically authorize the licensee to use a variant of the Mark, it does not say either that no variant may be used. In any event, Mr. De Luca has at least implicitly approved the variant: he knew, having seen the goods in retail stores, that the Mark had been modified by the licensee, he received royalties on the sales of goods bearing a variant of the Mark, and he never saw fit to notify the licensee of any default in its use of the Mark.

[32] I see no reviewable error in the registrar's finding that the licensee used the Mark in compliance with the License Agreement. Thus, section 50 of the Act applies and the use of the variant of the Mark by the licensee is deemed to have had the same effect as the use, advertisement or display of the Mark by the owner.

B. *Did the registrar err in finding that the Mark as registered was used in association with the goods "boots" within the relevant period?*

[33] Geox S.p.A. argues that since none of the pictures filed in support of Mr. Rota's affidavit show the label attached to a pair of boots or a pair of boots in an open box, the evidence does not prove satisfactorily that, at the time of the transfer of ownership, the Mark was used in association with the goods "boots".

[34] Subsection 4(1) of the Act governs the use of a trade-mark in association with specific categories of goods:

When deemed to be used

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 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 manner associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

Quand une marque de commerce est réputée employée

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

[35] The use of a trade-mark in association with goods is established when the following conditions are met at the time of transfer of the goods (*Havana House Cigar & Tobacco Merchants Ltd v Skyway Cigar Store* (1998), 81 CPR (3d) 203 (FC) at para 45):

1. the mark must be a trade mark as defined in s.2 [of the *Trade-marks Act*], that is, used for the purpose of distinguishing the wares;
2. the mark must be associated with the wares so that notice of the association is given; and
3. the transfer of the property or possession therein must occur in the normal course of trade.

[36] In section 45 proceedings, the trade-mark owner must establish a *prima facie* case of use in Canada during the relevant period (*1400446 Alberta Ltd v Fogler, Rubinoff LLP*, 2018 FC 79 at para 23). Affidavit evidence does not have to be perfect, but since no contradictory evidence may be received, ambiguities should be interpreted against the owner of a mark (*Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 at para 76). However, the decision maker may properly draw inferences from proven facts considering the evidence as a whole (*Eclipse International Fashions Canada Inc v Cohen*, 2005 FCA 64 at para 7).

[37] Pursuant to subsection 4(1) of the Act, a trade-mark is deemed to be used in association with the goods if it is marked “on the goods themselves” or “on the packages in which they are distributed”, or if it is “in any manner associated with the goods”.

[38] Mr. Rota specifically states at paragraph 12 of his affidavit that labels identical to the one depicted in the picture were attached to the goods sold during the relevant period. He also states at paragraph 13 that boxes bearing the Mark and containing boots were sent to retailers during the relevant period.

[39] Further, the invoices filed as Exhibit 3 to the affidavit of Mr. Rota evidence transfers in the normal course of trade during the relevant period. They also reinforce the conclusion that the Mark was used in association with the goods “boots”: the wares sold by the licensee are described in the body of these invoices as ANFIBIO boots, no other trade-marks appear in the invoices and boots are the only items listed in each invoice (*Hortilux Schreder BV v Iwasaki Electric Co Ltd*, 2011 FC 967 at para 20 *aff’d* 2012 FCA 321).

[40] In my view, it was reasonable for the registrar to find that, taken as a whole, the pictures of the label and the box bearing the Mark as well as the invoices filed in support of Mr. Rota's affidavit were sufficient evidence to show use of the Mark in association with the goods "boots".

C. *Did the Respondent fail to show any use of the Mark benefitting him such that the registration should be expunged?*

[41] Given my previous conclusions that the Mark was used in association with the goods "boots" to the benefit of Mr. De Luca, it is unnecessary to decide whether the use of the Mark on the website www.bottesanfio.com benefitted him. However, I will address Geox S.p.A.'s argument that a third party's copyright notice appearing on the website during the relevant period created sufficient ambiguity regarding the Mark's use so as to require that it be interpreted against Mr. De Luca.

[42] In particular, Geox S.p.A. argues that the screenshots of the website do not show use that was authorized by Mr. De Luca or use that would enure to his benefit pursuant to section 50 of the Act. Geox S.p.A. finds ambiguity in the fact that the screenshots contain various copyright notices, one of which is in favour of Arteca Design Inc., a third party, and that Mr. Rota's affidavit does not state that this third party was licensed or sub-licensed to display the Mark or a variant of the Mark during the relevant period. According to Geox S.p.A., any use of the Mark on the website is therefore unlicensed third party use that does not benefit Mr. De Luca.

[43] First, I am of the view that it was reasonable for the registrar to find that even if the website screenshots showed unauthorized use of the Mark by a third party during the relevant

period, this does not contradict the rest of the evidence that clearly shows that the Mark was used by the licensee in accordance with the License Agreement during the relevant period.

Unauthorized use by a third party can easily co-exist with authorized use by the licensee.

[44] Second, the only confusion I see in this case is between the set of rights granted to the owner of a registered trade-mark and the set of rights associated with copyright. The former necessarily concerns the Mark as described above. The latter, on the other hand, could concern different elements of the website content, such as images and text. Not knowing the substance of any agreement that may exist between the licensee and the third party Arteca Design Inc., who is most likely a website developer, I fail to see confusion stemming from the fact that the website content was copyrighted by Arteca Design Inc. at any given time during the relevant period.

[45] Mr. Rota specifically states in his affidavit that the licensee sells its goods to retailers and consumers through the website www.bottesanfibio.com. Furthermore, the screenshots of the website, both as it existed during the relevant period (archived on the Wayback Machine) and as it currently appears, feature the Mark or a variant thereof as well as various men's and women's boot styles.

[46] In my view, this is sufficient evidence that the website domain www.bottesanfibio.com belongs to and is used by the licensee. The third party copyright notice does not create any ambiguity regarding the Mark's use by the licensee during the relevant period.

V. Conclusion

[47] I therefore find that the registrar's decision is reasonable in all respects and that this application for judicial review should be dismissed. Costs are granted in favour of the Respondent.

JUDGMENT in T-1813-17

THIS COURT'S JUDGMENT is that:

1. The application for judicial review is dismissed;
2. Costs in the amount of \$1,000.00 all inclusive are granted to the Respondent.

“Jocelyne Gagné”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1813-17

STYLE OF CAUSE: GEOX S.P.A. v GIUSEPPE DE LUCA

PLACE OF HEARING: MONTRÉAL, QUEBEC

DATE OF HEARING: JULY 5, 2018

JUDGMENT AND REASONS: GAGNÉ J.

DATED: AUGUST 24, 2018

APPEARANCES:

Timothy C. Bourne

FOR THE APPLICANT

Franco Iezzoni

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Ridout & Maybee LLP
Ottawa, Ontario

FOR THE APPLICANT

Pateras & Iezzoni Inc.
Montréal, Quebec

FOR THE RESPONDENT