

Federal Court



Cour fédérale

Date: 20190404

Docket: T-1739-18

Citation: 2019 FC 406

Ottawa, Ontario, April 4, 2019

PRESENT: The Honourable Mr. Justice Lafrenière

BETWEEN:

**ISCADA INC. (FORMERLY KNOWN AS
1783107 ALBERTA INC.)**

Applicant

and

**AVENTUM IP LAW LLP (FORMERLY
KNOWN AS SHAPIRO COHEN LLP)**

Respondent

JUDGMENT AND REASONS

[1] This is an appeal by the Applicant, Iscada Inc., formerly known as 1783107 Alberta Inc., pursuant to section 56 of the *Trade-marks Act*, RSC 1985 c T-13 [the Act], from a decision [the Decision] of the Registrar of Trade-marks [the Registrar] dated August 1, 2018, ordering that the registration number TMA863,235 [the Registration] for the trade-mark iSCADA [the Mark] should be expunged from the Register pursuant to subsection 45(4) of the Act.

I. Background Facts

[2] The Applicant is the current owner of the Registration for the standard character, word mark iSCADA in relation to SCADA remote terminal units [the Goods] and in relation to providing the use of web-based SCADA software for the oil and gas well production industries, featuring: data viewing, gathering, reporting, importation, exportation, production trend statistics and reports, alarm and notification emails, technical troubleshooting and remote connection and control of client facilities, all of the foregoing for use on secure, cloud-based client SCADA systems [the Services].

[3] On March 23, 2018, the Registrar sent a Notice requesting the Applicant to furnish evidence of its use of the Mark in Canada in association with the Goods and Services during the relevant period between March 23, 2015 and March 23, 2018 [the Relevant Period]. For reasons unknown, the Notice was not received by the Applicant. It was therefore unaware that there was an outstanding requirement to furnish evidence by the deadline of June 23, 2018.

[4] The Applicant only became aware of the Notice after the deadline expired and after the Registrar had already reached the Decision expunging the Mark from the Register.

[5] On September 28, 2018, the Applicant filed the present appeal seeking an order to set aside the Registrar's Decision.

[6] On October 25, 2018, the Applicant served its affidavit in support of the appeal on the Respondent. The Respondent subsequently confirmed in writing that it did not intend to file evidence, that it would not be participating any further in the proceeding, and that it would be taking no position on the matters set out in the Notice of Application.

II. New Facts on Appeal

[7] In *Austin Nichols & Co, Inc, v Cinnabon Inc*, [1998] 4 FC 569, 82 CPR (3d) 513 (CA), at paragraphs 11 and 13, the Federal Court of Appeal ruled that the fact that a registered owner does not submit evidence to the Registrar after receiving a notice of proceedings instituted under section 45 of the Act does not preclude that registered owner from introducing evidence in its appeal under section 56. Moreover, in *Baxter International Inc v PT Kalbe Farma TBK*, 2007 FC 439 at paragraph 13, Mr. Justice Yvon Pinard held that even though a section 45 Notice was sent to the correct address and the applicant failed to adduce evidence before the Registrar, the Court could nonetheless accept new evidence. I therefore find that the Applicant is entitled to adduce new evidence on appeal and that the Court has the discretion to consider it.

[8] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified in the registration at any time within the three year period immediately preceding the date of the notice. It is settled law that the burden that has to be met by a registrant under section 45 is not a heavy one. All the registrant has to do is establish a *prima facie* case of use, as defined by subsections 4(1) and (2) of the Act. However, sufficient facts must be provided to permit the

Registrar – or the Court in this case – to arrive at a conclusion of use of the trade-mark in association with the registered wares and services during the Relevant Period.

[9] In coming to its own conclusion, the Court must substitute its own opinion for that of the Registrar without any need to find an error in the Registrar’s reasoning: *Guido Berlucchi & C Srl v Brouillette Kosie Prince*, 2007 FC 245 at paragraph 24). That is, the Court must decide the issue on the merits based on the evidence before it: *Maison Cousin (1980) Inc v Cousins Submarines Inc*, 2006 FCA 409 at paragraph 7.

III. The Applicant’s Evidence

[10] The Applicant provides as evidence of use an affidavit from one of its directors, Mr. Ian Martin, sworn October 23, 2018. The affiant was not cross-examined on his affidavit and his evidence stands uncontradicted. Given that the facts asserted in the affidavit are consistent, coherent and largely corroborated by documentation, I accept Mr. Martin’s evidence in its entirety as credible and reliable.

[11] In his affidavit, Mr. Martin declares that the Applicant has used the Mark in Canada in association with the Goods and Services continuously since it acquired the Registration on December 10, 2013. He asserts that during the Relevant Period, the Applicant prominently displayed the Mark in the advertising and performance of the Services as follows:

- (1) Iscada displayed the Mark in the advertising of its Services on its website at <https://www.iscada.ca> [Applicant’s Website].

- (2) Iscada has displayed the Mark in the advertising of its Services on the business cards of its various salesmen and other employees.
- (3) Iscada has displayed the Mark on a sign adjacent to the front door of its primary business location.
- (4) Iscada has displayed the Mark on promotional materials, including brochures and pamphlets.
- (5) Iscada has displayed the Mark on items of clothing, including shirts that: (i) were provided to potential clients, new clients, and repeat clients, and (ii) were worn by employees and staff while providing the Services.
- (6) Iscada displays the Mark on the screen/monitor while its clients are using its web-based SCADA software for the oil and gas well production industries and while its clients are making remote connections to control client facilities and accessing secure, cloud-based client SCADA systems.

[12] Mr. Martin provides additional evidence of recent use of the Mark; however, this evidence has not been taken into account as it falls outside the Relevant Period.

[13] Mr. Martin states that the Applicant's Mark has been displayed on the Goods (SCADA remote terminal units, which comprise modems, computer terminals and related communications equipment) which were sold to customers in Canada during the Relevant Period. The Mark is displayed by virtue of pre-made stickers and labels.

IV. Analysis

[14] The evidence filed by the Applicant is more than sufficient to enable the Court to conclude that there has been use of the Mark in Canada on the part of the Applicant in the normal course of business during the Relevant Period in association with all of the Goods and Services.

[15] With respect to the Goods, the evidence clearly establishes that the Mark is displayed on the Goods themselves (via stickers and labels) prior to sale and distribution to Applicant's customers and clients, and that the Mark remains on the Goods after installation at client sites.

[16] With respect to the Services, the evidence also clearly establishes that the Mark is used or displayed in the performance or advertising of those Services, such as on Applicant's Website.

[17] Further the Applicant has established that it had sales revenue during the Relevant Period for Goods in the amount of \$486,786.83, and for Services in the amount of \$785,170.70.

[18] Finally, the Applicant provided evidence that during the Relevant Period, it issued at least 1364 invoices to its various customers and clients which bore the Mark.

[19] Based on the above, I am satisfied that the Mark has been used in Canada by the Applicant in association with the Goods and Services during the Relevant Period. The Registrar's Decision should, accordingly, be set aside.

[20] The Applicant seeks its costs of the proceeding, relying on a recent decision of Madam Justice Catherine Kane in *Hi-Star Franchise Systems, Inc v Stemp & Company*, 2019 FC 222 [*Hi-Star*]. In that case, Justice Kane awarded costs to the applicant notwithstanding that the respondent ultimately did not oppose the application. I agree that the Court may award costs to a successful applicant despite a respondent's non-opposition. However, the applicant must first establish that costs were incurred as a result of the respondent's conduct. The present case can be distinguished from the facts in *Hi-Star*. In that case, the Respondent signalled that it would not oppose the appeal, but only did so after much work had been done by the Applicant to pursue the appeal. In the present case, the Applicant had no choice but to appeal the Registrar's Decision and to adduce affidavit evidence in order to maintain its Mark. The Respondent withdrew its opposition to the appeal immediately upon being served with the Applicant's affidavit. In the circumstances, I conclude that there should be no order as to costs.

JUDGMENT IN T-1739-18

THIS COURT'S JUDGMENT is that:

1. The Registrar's Decision dated August 1, 2018 indicating that the Registration for the Mark (iSCADA) will be expunged is hereby set aside.
2. Registration number TMA863,235 shall be maintained on the Register of Trade-Marks, in respect of all Goods and Services.
3. There shall be no order as to costs.

"Roger R. Lafrenière"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1739-18

STYLE OF CAUSE: ISCADA INC. (FORMERLY KNOWN AS 1783107 ALBERTA INC.) v AVENTUM IP LAW LLP (FORMERLY KNOWN AS SHAPIRO COHEN LLP)

PLACE OF HEARING: CALGARY, ALBERTA

DATE OF HEARING: APRIL 2, 2019

JUDGMENT AND REASONS: LAFRENIÈRE J.

DATED: APRIL 4, 2019

APPEARANCES:

Mr. Sander Gelsing

FOR THE APPLICANT

No appearance

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Warren Sinclair LLP
Red Deer, Alberta

FOR THE APPLICANT

Aventum IP Law LLP
Ottawa, Ontario

FOR THE RESPONDENT