



PLACEMENT OF A TRADE-MARK AT THE TOP OF AN INVOICE IS TRADE-MARK USE, RULES FEDERAL COURT OF APPEAL IN *HORTILUX* CASE

BARRY GAMACHE^{*}
ROBIC, LLP
LAWYERS, PATENT & TRADEMARK AGENTS

A recent decision by Canada's Federal Court of Appeal has dismissed an appeal against a Federal Court decision that had allowed an appeal against an earlier decision of the Trade-marks Opposition Board; the end result was that an applicant's application for the trade-mark HORTILUX in association with electric lamps was refused. The Federal Court decided, and the Federal Court of Appeal agreed, that the trade-mark HORTILUX should not be registered because an opponent had made earlier use of the same trade-mark for similar wares (*Iwasaki Electric Co. Ltd. v. Hortilux Schreder B.V.*, 2012 FCA 321 (F.C.A.), Blais C.J., Sharlow and Webb JJ.A., December 7, 2012).

On June 23, 2000, Iwasaki Electric Co. Ltd. (the "applicant" or "Iwasaki") applied to register the trade-mark HORTILUX on the basis of use of the trade-mark in Canada since December 31, 1997 in association with electric lamps. On May 31, 2002, Hortilux Schreder B.V. (hereafter the "opponent" or "Schreder") opposed the application alleging that Iwasaki was not entitled to registration of the trade-mark HORTILUX since it had used the same trade-mark in Canada in association with lighting reflectors before Iwasaki's date of first use.

Before the Opposition Board (2010 TMOB 179), Hearing Officer Pelletier concluded that Iwasaki had in fact used its trade-mark in Canada as early as October 1997. She also decided that Schreder had not established that it had used the trade-mark HORTILUX in Canada prior to Iwasaki's alleged date of first use. She consequently dismissed the opposition.

Schreder appealed before the Federal Court (2011 FC 967); after considering the evidence, Justice Russell allowed Schreder's appeal and concluded that the facts did not support Iwasaki's date of first use of October 1997; moreover, he also decided that, in any event, Schreder had established use of the HORTILUX trade-mark in association with its lighting reflectors prior to October 1997.

Iwasaki appealed in turn to the Federal Court of Appeal and argued that Schreder's evidence of use did not support a finding of prior use by Schreder of its trade-mark.

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^{*}Barry Gamache is a member of ROBIC, LLP, a firm of lawyers, patent and trademark agents. Published in the (May 2013), 27:5 issue of *World Intellectual Property Report*. Publication 142.275.

ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006

One of the main issues before the Federal Court of Appeal was whether the evidence of use by Schreder prior to October 1997 was in fact “use” with wares in accordance with section 4(1) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. Section 4(1) provides that 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 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”. In the present case, Schreder’s evidence of prior use of its trade-mark for wares rested on invoices that showed the trade-mark HORTILUX in very large font, different from the surrounding text, in a stylized form that could be distinguished from other matter on the invoices. The presence of HORTILUX at the top of the invoices was a clear reference to the trade-mark HORTILUX and not a reference to the company name that appeared elsewhere on the document, above the company’s address. No other trade-mark was mentioned on the invoices (either in the body, at the top or elsewhere). Finally, the invoices only referred to the products of a single manufacturer.

Hearing Officer Pelletier found that these circumstances did not establish use of the trade-mark HORTILUX. On the other hand, Justice Russell concluded that prior use had been proven. The Federal Court of Appeal agreed with Justice Russell and referred to other decisions of the Trade-mark Opposition Board confirming that the placement of a trade-mark at the top of an invoice could be recognized as trade-mark use in association with wares (*Gowling Lafleur Henderson LLP v. Bulova Watch Co.* (2006), 51 C.P.R. (4th) 470; *88766 Canada Inc. v. Phillips*, 2008 CarswellNat 2206; *88766 Canada Inc. v. Texinvest Inc.*, 2008 CarswellNat 767; *Messrs. Stewart McKelvey Stirling Scales v. Peninsula Farm Ltd.*, 2006 CarswellNat 4228).

The issue of a trade-mark appearing on an invoice has always been problematic in caselaw because an invoice that does not accompany wares sold does not provide the required notice of association under section 4(1) of the *Trade-marks Act*. When the invoice does accompany the wares sold, it has been argued that while a trade-mark appearing in the body of an invoice, next to the description of the wares sold, could be described as an acceptable notice of association between the trade-mark and the wares at issue, the presence of the trade-mark at the top of an invoice does not provide the required notice of association, especially if there are other trade-marks mentioned in the body of the invoice, next to the description of the wares sold.

Gradually, however, recent caselaw has permitted to rely on a trade-mark appearing on the top of an invoice, in certain circumstances, to establish trade-mark use under section 4(1). The evolution of recent case law is illustrated by the following reasons of Hearing Officer Savard in the decision of *Messrs. Stewart McKelvey Stirling Scales v. Peninsula Farm Ltd.*, 2006 CarswellNat 4228 (mentioned by the Federal Court of Appeal in its own reasons): “Further, I also accept that the display of the trade-mark PENINSULA FARM at the top of each invoice would also be perceived as a use of the trade-mark in association with the wares being sold considering that the registrant

is the manufacturer and that no other trade-mark appears in association with the wares being sold. Further I am prepared to accept that the invoices would accompany the goods at the time of delivery considering the registrant is the entity making the deliveries. Consequently, the invoices would also serve as notice of the association between the trade-mark and the wares at the time of transfer of the wares to the customers.”

Traders therefore have an interest in displaying in a prominent fashion their trade-mark at the top of their invoices if all the above conditions are present. Such practice could then allow a trader to establish trade-mark use in association with its wares sold, if required.

The Federal Court of Appeal's decision confirms that a trade-mark appearing on the top of an invoice can be relied upon to establish use of a trade-mark if such invoice accompanies the wares sold and the trade-mark in question is clearly linked to the wares. For such a finding to be made, the trade-mark must clearly stand out. Finally, no other trade-mark should be present on the invoice to avoid muddling the link between the trade-mark and the wares.



ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006