USE AS A COMPANY NAME DISTINCT FROM USE OF A TRADE-MARK RULES FEDERAL COURT OF APPEAL IN *MEDOS* EXPUNGEMENT CASE

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In a decision that highlights what does not constitute trade-mark use, Canada's Federal Court of Appeal recently confirmed an earlier decision by the Federal Court that ordered the expungement of the trade-mark MEDOS further to proceedings under section 45 of Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13 (the "Act") (*Medos Services Corporation v Ridout and Maybee LLP*, 2015 FCA 77 (F.C.A., Noël C.J., Gauthier and Scott JJ.A., March 18, 2015)).

The trade-mark MEDOS, owned by Medos Services Corporation, was registered in 1990 in association with the operation of a wholesale and retail business dealing in the distribution and sale of medical and health care supplies and equipment through multiple distribution centers.

On December 23, 2010, further to the request by the law firm Ridout and Maybee LLP, Canada's Registrar of Trade-marks issued a notice under section 45 of the Act to Medos Services Corporation as registered owner of the trade-mark MEDOS.

Section 45 of the Act provides that the Registrar of Trade-marks may at any time and, at the request made after three years from the date of registration of a trade-mark by any person who pays the prescribed fee shall, unless he sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the goods or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date. When the registered owner fails to furnish any evidence or where it appears that the evidence does not reveal use in accordance with the requirements of the Act, the registration of the trade-mark is liable to be expunged or amended accordingly. This is Canada's "use or lose it" provision relating to trade-marks.

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As the Registrar did not receive any reply from the registered owner of the trade-mark MEDOS by March 23, 2011, he ordered that the trade-mark be expunged on April 26, 2011. The principal of Medos Services Corporation, Mr. Alexander Vlasseros, became aware of the Registrar's decision and he, along with Medos Services Corporation and Marathon Medical Inc., a related corporation, all appealed the decision.

During the appeal, Mr. Vlasseros, who is not an attorney, was granted leave to act on behalf of both Medos Services Corporation and Marathon Medical Inc.

On appeal, Mr. Vlasseros argued that natural justice was denied to the appellants since the section 45 notice was never received by the registered owner of the trade-mark MEDOS (thus explaining why no evidence of use was filed) but that the Registrar decided to expunge the registration in any event. This argument was dismissed by Mr. Justice Harrington of the Federal Court who stated that the appeal brought by the appellants under section 56 of the Act in this case was a perfectly adequate recourse provided by the Act itself when the Registrar orders the expungement of a trade-mark under section 45 of the Act (for whatever reason) since section 56 provides that an appellant may file before the Court any evidence highlighting the use of its trade-mark (even if no evidence was filed before the Registrar). Thus, the appeal process provides a mechanism against the unjustified expungement of a registered trade-mark in cases, for example, where the registered owner did not receive the section 45 notice in a timely fashion.

Before the Federal Court, Mr. Vlasseros filed telephone bills for, apparently, Yellow Page advertisement of the trade-mark. However, the bills in themselves did not provide any evidence of use of the trade-mark and Mr. Vlasseros' comments during arguments before the Court were rejected since they should have been included in the affidavit filed in support of the telephone bills.

Correspondence with foreign suppliers was also relied upon by Mr. Vlasseros. Again, these documents did not show use of the trade-mark MEDOS but rather provided speculation as to future projects with the trade-mark in Canada.

Invoices regarding the sale of medical equipment were also submitted. This evidence was also dismissed, the Court concluding that if medical equipment had been sold under trade-mark MEDOS, this occurred decades earlier.

The Federal Court concluded that no evidence of use was filed by the owner of the trade-mark MEDOS at any moment during the three years preceding the notice date of December 23, 2010. The Court therefore ordered that the appeal be dismissed.

Medos Services Corporation, Marathon Medical Inc. and Mr. Vlasseros all appealed the Federal Court's Order and argued that the judge erred in his analysis of what he described as "correspondence with foreign suppliers". In those documents, argued the appellants, evidence of use of the trade-mark MEDOS could be found. The

appellants pointed to use of the word “medos” in communications with foreign suppliers that were filed into evidence before the Federal Court.

The Federal Court of Appeal acknowledged the presence of the word “medos” in these communications but emphasized that no mention was made in said documents of the *trade-mark* MEDOS. For example, the word “medos” appeared in an email address used by Mr. Vlasseros, namely alexmedossys@hotmail.com. The Federal Court of Appeal insisted that a trade-mark is not used when it is not distinguished from surrounding text. The email address used by Mr. Vlasseros could therefore not be relied upon to establish trade-mark use.

A further example concerned the use of the company name “MEDOS SERVICES corp” in the body of an email. Again, the use of a company name could not be relied upon to establish use of the *trade-mark* MEDOS. The word MEDOS was not distinguished from the surrounding text.

Other examples of so-called use relied upon by the appellants were also rejected since they were dated after December 23, 2010.

The appellants’ appeal was therefore dismissed and the Registrar’s Order for the expungement of the trade-mark MEDOS remained undisturbed.

This case illustrates why the concept of trade-mark use is important and must be distinguished from trade-name use or even email address use. According to the Federal Court of Appeal, for a trade-mark to be used, it must stand out from the surrounding text. When this occurs, and providing all other legal requirements are satisfied, use of a trade-mark can be established. Contrary to popular belief, just because words (that also happen to be a trade-mark) are somehow printed on a document, trade-mark use is not necessarily established.

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