PROCEEDINGS UNDER SECTION 45 OF THE TRADE-MARKS ACT REQUIRE SOLID AND RELIABLE EVIDENCE

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***Grapha-Holding AG v. Illinois Tool Works Inc.*, 2008 FC 959 (Federal Court, Beaudry J.)**

This is an appeal under section 56 of the *Trade-marks Act* (the "Act") of a decision rendered by the Registrar of Trade-marks (the "Registrar") maintaining the respondent's registration for the trade-mark MULLER, subject of an administrative cancellation proceeding under section 45 of the Act. The appeal is allowed and registration for the trade-mark MULLER is expunged in totality from the register.

1. Factual Background

In response to the Registrar's notice sent to the respondent under section 45 of the Act on October 30, 2003, the respondent filed as evidence the affidavit of Faruk Turfan, Vice-President of ITW Canada Holdings Company, a wholly owned subsidiary of the respondent. In his affidavit, Mr. Turfan states that the brochures attached to his affidavit are for the wares which are sold in Canada in association with the trade-mark MULLER and that, at the time of sale, the trade-mark is marked on the machine as shown in the brochure. Amongst others, he identifies one of the brochures as being "currently in use" and "being in use since about 2002".

Based on the evidence, the Registrar found that the mark at issue had been in use some time during the relevant period and decided to maintain the registration of the mark in association with the majority of the wares covered by said registration.

2. Appeal

The applicant appealed the decision of the Registrar on the ground that the respondent's evidence did not support a finding that the wares actually sold were

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marked with the subject mark. The applicant further submitted that there was no indication the brochures referred to in the respondent's evidence accompanied the sale of the wares during the relevant period.

It was not contested before the Federal Court that the appropriate standard of review of the decision of the Registrar is reasonableness since the respondent did not file new evidence on appeal (reference was made to *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772).

In its analysis, the Federal Court reminded basic principles of section 45 proceedings, such as the fact that the evidence submitted must supply facts from which a conclusion of use may follow as a logical inference (reference was made to *Osler, Hoskin & Harcourt v. United States Tobacco Co.* (1997), 77 C.P.R. (3d) 475 (F.C.)), and that the evidence must also satisfy the Registrar that the trade-mark has been used during the relevant time period, namely the three-year period immediately preceding the notice under section 45 (reference was made to *Boutique Limité v. Limco Investments, Inc.* (1998), 84 C.P.R. (3d) 164 (F.C.A.)).

According to the Federal Court, the Registrar did not have sufficient evidence before her to conclude that the respondent's mark has been used, within the meaning of section 4 of the Act, during the relevant time period. The registered owner's evidence showed a lack of precision with regard to the dates each ware would have been sold. Evidence referring to use on dates that are contained both within and outside the relevant period (i.e. "currently in use" or "have been in use since about 2002") cannot be considered clear evidence as it does not allow the Registrar to determine if any use has occurred specifically during the relevant period.

Furthermore, although the brochures attached to the affidavit show where the mark is situated on the wares sold by the respondent, the evidence does not indicate that these brochures have been given at the time of transfer of the property in or possession of the wares.

The Federal Court stated that the circumstances of an administrative proceeding under section 45 of the Act create an obligation on the registered owner to file precise, solid and reliable evidence, which was not the case of the evidence furnished by the respondent.

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