

Federal Court



Cour fédérale

Date: 20240625

Docket: T-1765-22

Citation: 2024 FC 976

Ottawa, Ontario, June 25, 2024

PRESENT: The Honourable Madam Justice Tsimberis

APPLICATION UNDER r. 300(a) of the *Federal Courts Rules*, SOR/98-106, as am., and Section 56 of the *Trademarks Act*, R.S.C. 1985, c. T-13, as am., in relation to Application No. 1,599,754 for the trademark GALPERTI

BETWEEN:

F.I.A.L. FINANZIARIA INDUSTRIE ALTO LARIO S.P.A

Applicant

and

GALPERTI SRL

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The Applicant, F.I.A.L. Finanziaria Industrie Alto Lario S.P.A. [Applicant or Fial], appeals the decision of the Trademarks Opposition Board [Board], dated June 30, 2022

[Decision], which granted the opposition filed by the Respondent, Galperti SRL [Respondent or Galperti], and refused the registration of the Applicant's trademark application No. 1,599,754 [Fial's GALPERTI Application] for the GALPERTI trademark [Fial's GALPERTI trademark].

[2] The Applicant appeals the Board's Decision pursuant to section 56 of the *Trademarks Act*, RSC 1985, c T-13 [Act], asking that Fial's GALPERTI Application be allowed. In support of its application in this appeal, the Applicant has filed new evidence regarding the use of the GALPERTI trademark.

[3] For the reasons that follow, the Court grants the appeal.

II. Background

A. *Facts*

[4] The Respondent agreed with certain of the Applicant's factual description of the proceedings that occurred before the Board and the Board Decision, which I have summarized below with some adjustments more particularly to the names of the trademarks and application.

[5] The Applicant filed Fial's GALPERTI Application on October 25, 2012, for the GALPERTI trademark, in association with the goods set out in Fial's GALPERTI Application as advertised, including flanges and other metal products [FIAL Goods]. Fial's GALPERTI Application claims use of the GALPERTI trademark in Canada since at least as early as 1999 on

the FIAL Goods. Fial's GALPERTI Application was advertised for opposition purposes in the *Trademarks Journal* on November 5, 2014.

[6] Galperti (the Respondent in this appeal and the Opponent in the underlying opposition) commenced an opposition proceeding [Opposition] against Fial's GALPERTI Application by filing a Statement of Opposition on April 7, 2015. The Respondent filed an amended Statement of Opposition on October 22, 2015 [Amended Statement of Opposition], pursuant to leave to amend granted by the Board on November 11, 2015. The grounds of opposition pleaded in the Amended Statement of Opposition were:

- a) Section 38(2)(a) of the *Act*, on the basis that Fial's GALPERTI Application does not comply with the formal requirements of sections 30(b), 30(h) and 30(i) of the *Act*;
- b) Section 38(2)(c) of the *Act*, on the basis that the Applicant is not entitled to trademark registration under section 16(1)(a) of the *Act*;
- c) Section 38(2)(c) of the *Act*, on the basis that the Applicant is not entitled to trademark registration under section 16(1)(c) of the *Act*; and,
- d) Section 38(2)(d) of the *Act*, on the basis that Fial's GALPERTI trademark is not distinctive as defined in section 2 of the *Act*.

[7] For the Respondent's opposition ground based on sections 38(2)(c) and 16(1)(a) of the *Act*, the Respondent alleged that at the relevant time, the Respondent's confusing trademarks had been previously used or made known in Canada by the Respondent or its predecessors in title. The Respondent's Amended Statement of Opposition asserted that its confusing trademarks were

GALPERTI and its GALPERTI logo shown below, which the Board's Decision later defined as the "Opponent's Mark" GALPERTI and the "Opponent's Logo", respectively. For clarity, I will refer to the Respondent's trademarks as Galperti's GALPERTI trademark and Galperti's GALPERTI Logo trademark.



[8] For the Respondent's opposition ground based on sections 38(2)(c) and 16(1)(c) of the *Act*, the Respondent alleged that at the relevant time, the Respondent's confusing tradenames had been previously used or made known in Canada by the Respondent or its predecessors in title. The Respondent's pled tradenames were Galperti s.r.l. and GALPERTI.

[9] The Applicant filed a Counterstatement on June 22, 2015, denying each of the grounds alleged in the Amended Statement of Opposition.

[10] The Respondent filed evidence in the Opposition consisting of the affidavit of Dina Galperti, President of the Respondent, dated October 21, 2015. Ms. Galperti, was cross-examined on her affidavit.

[11] The Applicant filed evidence in the Opposition consisting of the affidavits of Guido Puccio, Chairman of the Board of Directors of the Applicant, dated January 4, 2017, and John

Wray, former President of Galperti Canada ULC (a subsidiary of the Applicant) and previous employee of Comco Pipe and Supply Company [Comco], dated September 7, 2017. Comco is Galperti's Canadian distributor. Guido Puccio [Puccio], was cross-examined on his affidavit, but John Wray [Mr. Wray] was not. The Respondent did not file reply evidence.

[12] The Applicant filed written arguments on December 5, 2019. The Respondent did not file written arguments. Both parties appeared for an oral hearing before the Board on August 10, 2021. The Opposition Decision was dispatched by the Board on June 30, 2022.

B. *Decision under Review*

[13] By the Opposition Decision dated June 30, 2022, the Board found the Respondent's opposition was successful.

[14] The Board rejected two of the Respondent's opposition grounds pursuant to sections 38(2)(a) and 38(2)(d) of the *Act*. The Respondent "failed to meet its evidential burden for these additional grounds of opposition", namely that the Applicant's claimed date of first use is false, that the Applicant could not have been satisfied of its entitlement to use the GALPERTI trademark in Canada, and that the GALPERTI trademark is not distinctive of the Applicant. As pointed out by the Applicant on appeal, the Court notes that no appeal or cross-appeal to the Federal Court was filed by the Applicant regarding the above-referenced grounds of opposition which findings of the Board remain uncontested.

[15] However, the Board went on to reject FIAL's GALPERTI Application for the GALPERTI trademark by accepting the Respondent's two opposition grounds pursuant to sections 38(2)(c), 16(1)(a) and 16(1)(c) of the *Act*. The Board held that "the Applicant is not entitled to registration of the Mark because it is confusing with the Opponent's GALPERTI trademark and trade name that was used in Canada prior to the date of first use claimed in the Application. I find the Applicant's evidence insufficient to establish use of the Mark any earlier than claimed in the Application." The Board went on to "find that the Applicant's evidence is insufficient to establish an earlier date of first use and accordingly the material date remains the last day of 1999", in conformity with the claimed date of first use in Canada of "since at least as early as 1999" in Fial's GALPERTI Application.

[16] These abovementioned opposition grounds based upon entitlement are appealed by the Applicant in the case at bar.

[17] The Board held that, pursuant to sections 16(1)(a) and 16(1)(c) of the *Act*, the Applicant is "not entitled to registration of the Mark because it is confusing with the Opponent's GALPERTI trademark and trade name that was used in Canada prior to the date of first use claimed in the Application. I find the Applicant's evidence insufficient to establish use of the Mark any earlier than claimed in the Application." Fial's GALPERTI Application claims a date of first use in Canada of "since at least as early as 1999". The Board found that "the Applicant's evidence is insufficient to establish an earlier date of first use and accordingly the material date remains the last day of 1999".

[18] The Board found that the Respondent established use of Galperti's GALPERTI trademark and Galperti's GALPERTI Logo trademark since at least as early as 1991, which was earlier than the Applicant's 1999 material date found by the Board.

[19] The Court notes that the Respondent has not appealed this, finding that the Respondent first used its aforementioned trademarks in 1991, nor did the Respondent file any additional evidence seeking to establish an earlier date of first use for Galperti's GALPERTI trademark or Galperti's GALPERTI Logo trademark. As such, the 1991 date will be the date marker I will use in my analysis below.

[20] The Board also found that the Respondent's use of Galperti's GALPERTI trademark or Galperti's GALPERTI Logo as early as 1991 constituted simultaneous trademark and tradename use.

[21] The Board therefore concluded that the Respondent had used its trademarks and tradename in 1991, earlier than when the Applicant had first used Fial's GALPERTI trademark in 1999. On that basis, the Board concluded that the Applicant was not entitled to registration of Fial's GALPERTI Application for Fial's GALPERTI trademark, because it was confusing with the Respondent's earlier established use of the GALPERTI trademarks and tradename.

[22] In sum, to be successful on appeal, the Applicant has to demonstrate a prior use in the normal course of trade in Canada of Fial's GALPERTI trademark to the Respondent. The Board

determined that the Respondent has been using the GALPERTI trademark since at least as early as 1991. Therefore, 1991 is the year that the Applicant has to beat.

[23] The Respondent submits that the new evidence filed by the Applicant before this Court, like the one filed before the Board, fails to establish that the Applicant has continuously used its trademark, in the normal course of trade in Canada, since at least as early as 1985 (as alleged), according to the criteria set out by the jurisprudence. As such, the date claimed by the Applicant in Fial's GALPERTI Application, namely 1999, remains for considering the entitlement grounds and therefore the Applicant is not entitled to registration of Fial's GALPERTI trademark.

III. Issues

[24] The parties agreed on the issues raised by the present appeal, which mainly are:

[25] Does the additional evidence filed on appeal by the Applicant affect the standard of review of the Board's Decision?

[26] Applying the appropriate standard of review, should the Court interfere with the Board's Decision?

[27] At the hearing, the Applicant abandoned all other grounds of appeal, more specifically the alleged reviewable errors at subparagraphs 23(a) through 23(n) and 23(q) of the Applicant's Notice of Application, after conceding that none of those was developed in its Memorandum of Fact and Law. The only remaining alleged reviewable errors the Applicant is relying on for this

appeal are at subparagraphs 23(o) and 23(p) of its Notice of Application relating to the Board's findings that the Applicant was not entitled to registration of Fial's GALPERTI trademark, which are not errors of the Board given the evidence and record before it.

[28] The Applicant has not sought this Court's review of the Board's determinations regarding confusion on this appeal. I likewise acknowledge, as pointed out by the parties, that the Court in this appeal need not re-analyse the Board's confusion analysis between any of the parties' respective trademarks or tradenames, as a determination of whether Fial's GALPERTI trademark was used prior to 1991 is determinative of all issues in this application.

IV. Materiality & Standard of Review

[29] The Applicant submits that this hearing should be held *de novo* because the new evidence it has filed on appeal is material. In that case, the Court must review the issue to which the new evidence relates on a correctness standard and make its own determination of the issue in light of all the evidence. The Respondent argues that the new evidence is not material because it does not address the requirements set out by the jurisprudence, including the continuous use of the trademark in the normal course of trade, to allow the Court to determine the material date in light of the absence of supporting documentation. Absent any additional material evidence, the Respondent argues that the usual appellate standards apply and the Court should use the palpable and overriding error standard of review for questions of mixed fact and law.

A. *General Legal Principles*

(1) Standard of Review

[30] The Federal Court of Appeal settled the applicable standard of review in this type of application for judicial review made under the statutory appeal provision of section 56 of the *Act* in *Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA 76 [*Clorox*]. If the new evidence filed by the parties is not material (or no new evidence is adduced), the Federal Court should apply the Supreme Court's jurisprudence on appellate standards of review when dealing with an appeal under subsection 56(1) of the *Act* (see *Clorox* at paras 21-23; see also *Miller Thomson LLP v. Hilton Worldwide Holding LLP*, 2020 FCA 134 [*Miller Thomson*] at paras 41-42, as cited in *Tokai of Canada Ltd v. Kingsford Products Company, LLC*, 2021 FC 782 [*Tokai*] at para 22 [*Tokai*]).

[31] During a section 56 appeal, this Court acts as a court of first instance and considers whether new evidence is material. If it is, the Court "may exercise any discretion vested in the Registrar" and the appeal acts as a *de novo* review (see *Clorox* at paras 20-21, citing s 56(5) of the *Act*). If the new evidence filed is found to be material, it permits the Court to conduct a *de novo* analysis in respect of the specific issues to which the new evidence relates, emulating the correctness standard and according no deference to the conclusions of the underlying decision-maker (*Clorox* at para 21). However, admitting new material evidence does not displace the Registrar's findings in respect of every issue; only those specific issues to which the new evidence speaks warrant a *de novo* analysis by the Court (see *Clorox* at para 21; see also *Seara Alimentos Ltda. v Amira Enterprises Inc.*, 2019 FCA 63 [*Seara*] at para 22, as cited in

Caterpillar Inc. v Puma SE, 2021 FC 974 [*Caterpillar*] at para 36; *Advance Magazine Publishers, Inc. v Banff Lake Louise Tourism Bureau*, 2018 FC 108 at paras 16 and 22).

(2) Materiality of New Evidence

[32] As previously stated, in a section 56 appeal, this Court acts as a court of first instance for the purpose of considering whether newly filed evidence is material and therefore attracts a *de novo* review of the issues relevant to that material evidence (see *Clorox* at para 20). In order to be material, new evidence must be filed that is “sufficiently substantial and significant” and of “probative value”; evidence that merely supplements or repeats existing evidence will not surpass this threshold to trigger a *de novo* review (*Clorox* at para 21; *Seara* at paras 23-24; *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 [*Scott Paper*] at paras 48-49, as cited in *Caterpillar* at para 33).

[33] Evidence may be "material" where it enhances the overall cogency of the record in a way that may have influenced the Registrar's conclusions on a finding of fact or exercise of discretion (*Seara* at para 24; *Tokai* at para 23) or fills gaps or remedies in a deficiency identified by the Registrar (see for example *Shell Canada Limited v P.T. Sari Incofood Corporation*, 2008 FCA 279 [*Shell*] at para 12). New evidence may respond to the Registrar's perceived evidentiary deficiencies (see *Mövenpick Holding AG v Exxon Mobil Corporation*, 2011 FC 1397 at para 54, aff'd 2013 FCA 6; see also *Advance Magazine Publishers Inc. v Farleyco Marketing Inc.*, 2009 FC 153 at paras 93-95, 98, aff'd 2009 FCA 348).

[34] The materiality test is not whether the new evidence would have changed the Registrar's mind or would ultimately change the result or outcome, but rather whether it *would* have had a material effect on the decision (see *Seara* at paras 23, 25). It is sufficient if it is the kind of evidence that *could* have had a material effect on the decision (see *Assurant, Inc v Assurancia, Inc.*, 2018 FC 121 at para 30; see also *Scott Paper* at paras 46-49). The question to ask is “could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the [Board]”? (*Seara* at para 25).

[35] Indeed, to find if the new evidence is material or not, the Court needs to assess:

- a) The nature of the new evidence;
- b) The significance of the new evidence;
- c) The probative value of the new evidence; and
- d) The reliability of the new evidence.

(*Caterpillar* at para 36; *Bunzl IP Holdings, LLC v Winnipeg Pants & Sportswear Mfg Ltd*, 2022 FC 813 [*Bunzl*] at para 7; *Clorox* at para 21).

B. *Evidentiary gaps in the Decision*

[36] There are three evidentiary gaps at paragraphs 38, 45, 47-48, and 102 of the Board's Decision, which I summarize as the following:

- A. In the absence of evidence establishing how the GALPERTI trademark had been used in Canada prior to the incorporation of the Canadian subsidiary in 1989, the statement asserting its pre-1993 use by affiant Puccio was insufficient to establish

use in the absence of evidence establishing how Fial's GALPERTI trademark was used at the time;

- B. Evidence sworn by Mr. Wray was insufficient regarding the 1985 transaction between Galperti and Comco to determine whether Comco was engaged in actual trade with the Applicant or if they were merely negotiating in order to assess whether the 1985 order qualifies as a transfer of trade of flanges in the normal course of trade, whether flanges were actually purchased, and the reliability of Comco's evidence as a letter from their President and General Manager in 2016 stated Comco and the Applicant had a relationship and having received flanges and other products from Galperti Group "since 1992"; and,
- C. If the evidence led had established the Applicant's pre-1991 use of Fial's GALPERTI trademark as a trademark, prior to the Respondent's earliest use, the material date found by the Board for the analysis may have been an earlier one and the Board's ultimate conclusion on the entitlement ground might have been different.

[37] In all, these evidentiary gaps pointed to an overarching lack of evidence before the Board amounting to a failure to establish the earlier date of first use of Fial's GALPERTI trademark as asserted by the Applicant.

C. *The Applicant's new evidence on appeal*

[38] On appeal, the Applicant filed four new affidavits. The Respondent did not conduct cross-examinations on any of the new affiants.

[39] For the following reasons, the Court finds the additional evidence on appeal to be material as it directly addresses negative findings made by the Board on issues central to assessing the Applicant's earlier date of use of Fial's GALPERTI trademark and its entitlement to register that trademark. The four affidavits will be discussed individually.

(1) Affidavit of Allan Farmer sworn on October 19, 2022

[40] Allan Farmer [Mr. Farmer] is a partner in a law firm, who acted as external corporate lawyer for Comco for several years.

[41] In his affidavit, Mr. Farmer, states that "[a]s a result of [his] work for Comco, [he] was aware in the late 1980s that Comco had a business relationship with Galperti, and had been ordering flanges from Galperti for distribution and sale in Canada prior to the meeting" in December 1988 or January 1989. Also, Mr. Farmer states that in December 1988 or January 1989, he had a meeting with the President of Comco to set up a corporation for Galperti in Canada. In January 1989, Mr. Farmer registered the company Galperti Canada Inc. under the *Canada Business Corporations Act*. The company was dissolved on October 19, 1999. The company was also registered provincially in Alberta on February 8, 1989 and later dissolved.



[42] Mr. Farmer's evidence goes some way to demonstrate that the Applicant had a business relationship with Comco, and that Comco had been ordering and distributing flanges from the Applicant for distribution and sale in Canada prior to December 1988 or January 1989.

[43] This new evidence, in light of the evidentiary gaps to establish whether Comco was engaged in actual trade rather than merely negotiating and to establish the earlier date of use claimed by the Applicant, is material insofar as it was not before the Board and indicates *some* level of commercial activity in the late 1980s. As such, I accept Mr. Farmer's evidence as reliable and material in relation to the overarching evidentiary gap concerning use of Fial's GALPERTI trademark prior to 1991.

(2) Affidavit of Flavio Belloli sworn on October 28, 2022

[44] Flavio Belloli [Mr. Belloli] is an employee of the Applicant since January 1, 2000 and Director of Officine Nicola Galperti e Figlio S.p.A, Galperti, Inc., and Galperti Manufacturing (Malaysia) Sdn Bhd. He describes the organizations within the Galperti Group and the use and appearance of Fial's GALPERTI trademark through the years, including the changes made thereto and the features thereof that remained constant.

[45] For the most part, this affidavit does not help the Applicant to demonstrate that it was using the GALPERTI trademark in Canada before 1991. However, it is helpful in two respects. Firstly, Mr. Belloli's Affidavit serves to establish the appearance of Fial's GALPERTI trademark as a trademark rather than just as part of a tradename and serves to address this evidentiary gap identified at paragraph 38 of the Board's Decision. Secondly, Mr. Belloli's Exhibit "A" is helpful as it contains excerpts of a book published by the Galperti Group in 1971 to celebrate 50 years of the Galperti Group. On the first page of this book, the GALPERTI trademark is displayed with the exact same font and format [GALPERTI Stylized] as has been asserted by the Applicant in its In-Use GALPERTI Design trademark, respectively depicted hereinafter:

	
GALPERTI Stylized	In-Use GALPERTI Design

[46] This Exhibit constitutes documentary evidence of the existence and use of the GALPERTI Stylized trademark as early as 1971. While it does not, in and of itself, speak to use or *continuous* use of the GALPERTI trademark in Canada, it is at least evidence of the existence of the GALPERTI Stylized trademark as opposed to mere tradename *use* prior to 1991. Recall that the Board’s Decision and its review of the Affidavit of Puccio and attached invoices was that there was only evidence of tradename use of the names “Officine Nicola Galperti e Figlio S.p.A.”, “Galperti Engineering and Flow Control S.p.A”, and “Galperti Canada ULC”.

[47] At least insofar as it contains excerpts of the book published in 1971 displaying the GALPERTI Stylized trademark and serves to establish the appearance of Fial’s GALPERTI trademark as a trademark, I accept Mr. Belloli’s evidence as reliable and material in relation to the overarching evidentiary gap concerning the use of the GALPERTI trademark prior to 1991.

(3) Affidavit of Brian Cain affirmed on October 30, 2022

[48] Brian Cain [Mr. Cain] was an employee of Comco from 1972 until his retirement in 2016. From 1982 to 1986, Mr. Cain was a VP of the Alberta region for Comco and in 1986, promoted to VP of Eastern region of Comco. From 1982 to 1986, Mr. Cain was responsible for

all the piping aspects of Comco's business, including pipes, valves and fittings, which duties overlapped with Mr. Wray's who in the 1980s was responsible for the flange aspects of Comco's business. As such, Mr. Cain had in depth-knowledge of the pipes, flanges and valves distributed by Comco. In the 80s, Mr. Cain helped the Galperti Group to be added to Shell Canada Limited [Shell]'s approved manufacturing list [AML].

[49] Mr. Cain affirms that in 1985, Galperti and Comco reached an agreement for Galperti to supply flanges and other forged products to Canada, through Comco as its exclusive Canadian distributor at that time. He also affirms that, in late 1985 or early 1986, Galperti began shipping the products to Comco for distribution in Canada. He identifies that, from his first-hand experience, the Galperti Group's packaging in the late 1980s and 1990s was similar to today's packaging insofar as it included the GALPERTI Stylized trademark with its iconic font, but without any other Galperti markings or indicia.

[50] Mr. Cain also affirms that Comco distributed Galperti Group's product in Canada in the 1980s and 1990s, but without specifying the exact dates.

[51] Finally, Mr. Cain affirms that, in the 1980s but at least prior to 1988, Comco began sourcing products from Galperti directly in Italy, and after 1988 from Galperti's Canadian subsidiaries.

[52] The Respondent suggests that Mr. Cain's affidavit may be unreliable due to the lack of supporting documentation, such as contemporaneous records or detailed information on the

quantity and frequency of goods received and distributed. They argue that Mr. Cain's recollections alone may be insufficient to establish continuous trademark use in the normal course of trade since 1985. The Respondent also contends that the affidavit fails to clearly distinguish between trade name and trademark use, relying instead on recent photographs that they believe do not accurately represent historical use. They suggest that legal judgments on trademark use require thorough documentation and argue that Mr. Cain, as a lay witness, may not be qualified to make these determinations. Therefore, the Respondent argues that the affidavit may not meet the necessary legal standards to substantiate the Applicant's claims.

[53] The Applicant rightly drew the Court's attention to a crucial distinction, as highlighted by the Federal Court of Appeal in *Mantha & Associés/Associates v Central Transport Inc.*, 1995 CarswellNat 2789, [1995] FCJ No 1544 [*Central Transport*], between what the Court "has found to be inadequate in section 45 proceedings are assertions of use (a matter of law) as opposed to assertions of facts showing use" (*Central Transport* at para 3, citing *Plough (Canada) Limited v. Aerosol Fillers Inc.*, 1980 CanLII 4344 (FCA), [1981] 1 FC 679, emphasis in original). Mr. Cain did not assert use as fact, but testified to *facts showing use* of the GALPERTI trademark in Canada.

[54] Importantly, Mr. Cain's affidavit evidence went without cross-examination. While a failure to cross-examine a witness does not preclude the Respondent from raising issues with its reliability that arise on the face of that evidence, "the decision not to cross-examine remains relevant to the assessment of evidence, and to the strength of arguments that a witness is unreliable and not credible, particularly in the absence of contradictory evidence" (*Bunzl* at para

29, citing *SSE Holdings, LLC v Le Chic Shack Inc.*, 2020 FC 983 at para 58 and *Harley-Davidson Motor Company Group, LLC v Manoukian*, 2013 FC 193 at para 37). Likewise, despite the fact that Mr. Cain's affidavit does not itself contain corroborative documentary evidence, the Respondent has not intimated a justifiable reason why his evidence should not be accepted or should not be reliable (*Pacific Western Brewing Company Ltd. v Cervceria del Pacifico*, 2015 FC 1078 [*Pacific Western*] at para 13).

[55] While the Respondent points to *Clorox* to say that supporting documentation like detailed sales reports, invoices, or financial statements should be provided by the Applicant for the Court to perform its role, *Clorox* did not consider the fundamental issue in this case that we are dealing with facts and evidence going back 40 years. We do have invoices from 1993 onwards, and two senior employees from two separate companies as witnesses testifying to similar facts in the 1980s. Given these circumstances, I distinguish this matter from *Clorox* as we are dealing with a different reality of what evidence could be expected in the circumstances.

[56] At its core, the Respondent's argument is that Mr. Cain's recollections from almost 30 years ago, in the absence of supporting documentation to substantiate his recollection, is too unreliable to establish continuous use in the normal course of trade. Like Justice McHaffie, in *Bunzl*, I find no reason why Mr. Cain should not be able to accurately recall and describe in his words what trademark he saw over the course of years at Comco with the help of contemporaneous images shown to him by counsel, which trademark was on packaging slips that he inspected on product packaging that he describes as being part of the duties he conducted at that time, and from which he retired only eight years ago with Comco. Without cross-

examination on his affidavit, I am not prepared to conclude that Mr. Cain's evidence is unreliable simply because it describes the trademark he recalls seeing rather than showing a picture of the trademark. The Respondent's attack on the sufficiency of Mr. Cain's evidence is a suggestion of what this Court should conclude, on the basis of this evidence, not on whether it should be seen as reliable.

[57] I also agree with the Applicant that issues raised by the Respondent regarding the reliability of recollection of witnesses from the 1980s, should be dismissed given the relative consistency from the various witnesses at different points in the chain of distribution, namely the owner, the distributor customer Comco and the end-customer Shell. In addition, what also helps is the fact that both Mr. Cain and Mr. Cook are retired and the evidence does not show that they have any stake or conflict of interest to be anything other than truthful in their affirmations.

[58] If the Respondent sought to impeach the *reliability* (as opposed to the sufficiency) of Mr. Cain's evidence, they ought to have at least taken the opportunity to cross-examine him on his affidavit and put their questions to him. The Respondent cannot, after the fact, attack Mr. Cain's evidence as unreliable when they have not even put to him on the record any questions, requests for documents or concerns of his evidence so that the Court might consider them when evaluating Mr. Cain's evidence. While it may be a tactical consideration not to cross-examine a witness in fear that such examination could strengthen the witness' evidence, a failure to cross-examine likewise runs the risk that such uncontroverted evidence must be accepted at face value (*Pacific Western* at para 13).

[59] In light of the above, I accept Mr. Cain's evidence as reliable and material in relation to the overarching evidentiary gap concerning the use of the GALPERTI trademark prior to 1991.

(4) Affidavit of Brian Cook affirmed on October 31, 2022

[60] Brian Cook [Mr. Cook] was the Supply Chain Manager for Shell from 1973 to 2004.

[61] In his affidavit, Mr. Cook describes the business relationship between Shell and Comco and Shell's vendor qualification approval process and the strict process to be followed for a product to be added to Shell's AML. He states that, in the usual course of their business, during the mid-to-late 1980s, Shell first approved flanges manufactured by the Galperti Group and, after approval, Shell and engineering companies working on Shell capital projects were able to buy flanges in Canada manufactured by Galperti. Mr. Cook states that he routinely saw flanges from Galperti that had been supplied to Comco from Galperti in Italy while viewing products in Comco's warehouse and job sites in Canada. In addition to products, at these sites he recalls seeing documentation accompanying crates of Galperti's products showing the name "Offince Nicola Galperti e Figlio S.p.A."

[62] Mr. Cook's testimony is that he specifically recalled the GALPERTI Stylized trademark being on the exterior paper labels for Galperti flange products in Canada in the 1980s, but did not recall that the G logo, the "GROUP" within the green line, or the phrase "The Original" were included on these same paper labels.

[63] For the same reasons as described above regarding Mr. Cain's affidavit, I accept Mr. Cook's evidence as reliable and material in relation to the overarching evidentiary gap concerning the use of Fial's GALPERTI trademark prior to 1991.

D. *Conclusion on materiality and standards of review*

[64] In light of the above findings that the four affidavits filed in support of this appeal are material, the Court shall conduct a *de novo* analysis in relation to the overarching evidentiary gap concerning use of the GALPERTI trademark prior to 1991 and the non-entitlement ground based on prior use of a trademark under section 16(1)(a). However, this evidence does not speak to the use of a trade name separate and apart from the use of the GALPERTI trademark, and so is immaterial in respect of the non-entitlement ground based on prior use of a trade name under section 16(1)(c). The applicable standard of review for the non-entitlement ground under 16(1)(c) remains palpable and overriding error.

V. Analysis

A. *Trade Name Use*

[65] The Applicant has not offered any new evidence in respect of the use of their trade name, and has not identified a specific, palpable and overriding error in respect of the Board's findings on the non-entitlement ground under section 16(1)(c) of the *Act*. The Applicant's appeal on this non-entitlement ground fails; however, this is not determinative of the matter because, as is explained below, the Applicant is successful on a *de novo* basis in their appeal in respect of section 16(1)(a) of the *Act*.

B. *Explanation of Material Evidence*

[66] Upon reviewing the affidavits of Mr. Cain and Mr. Cook, the Court finds that certain parts of the evidence are unreliable due to ambiguous language, particularly where the word "or" creates uncertainty about the precise use of the GALPERTI trademark. For instance, in Brian Cain's affidavit, he mentions that the GALPERTI trademark was used "on its own or in association with a distinctive G design," without clarifying the exact trademark used. Similarly, Cain states that the Stylized GALPERTI trademark appeared "in most, if not all instances in Canada in the 1980s and early 1990s," which lacks specificity and fails to provide concrete evidence of consistent trademark use. These ambiguities hinder the Court's ability to determine whether the trademark was indeed, used continuously and in the normal course of trade, as required by the *Act* and relevant jurisprudence. Also, I do not accept as sufficient evidence Mr. Cain's testimony in which he merely states that when he and Mr. Wray viewed the First Galperti Products in person, such packaging "looked similar to" Galperti's packaging shown in Exhibit A in late 1985 or early 1986.

[67] However, I do accept Mr. Cain's following recollections as reliable. Specifically:

19. I cannot recall whether other GALPERTI indicia, such as the G surrounded by the ring and square, and the line with "Group" in it, as shown in Exhibit "A", were included in some instances on Galperti's packing slips for forged products sent to Comco for distribution in Canada, in the 1980s and 1990s. However, I do recall that in most, if not all, instances in Canada in the 1980s and early 1990s, the Stylized GAPERTI Word Mark referred to in paragraph 16 above appeared without other GALPERTI indicia or markings surrounding the Stylized GALPERTI Word Mark on the packing slip.

20. I recall the First Galperti Products, which included flanges within a wooden crate, having a packing slip marked as I have described above with the Stylized GALPERTI Word Mark. Furthermore, I recall continuously seeing Galperti forged products, such as flanges, over the years packed in wooden crates and marked with the packing slip as I have described above in Canada, in the 1980s and 1990s, and at least as early as late 1985 or early 1986. In my role as a VP at Comco, I saw this Galperti product packaging on flange products in our Comco warehouses in Canada in the ordinary course of Comco receiving flange products from Galperti in Canada for distribution in Canada in the 1980s and 1990s, and at least as early as late 1985 or early 1986 in Canada.

[68] Mr. Cain's affidavit testimony is clear that he recalls "that in most, if not all, instances in Canada in the 1980s and early 1990s, the Stylized GALPERTI Word Mark referred to in paragraph 16 above appeared without other GALPERTI indicia or markings surrounding the Stylized GALPERTI Word Mark on the packing slip." This key testimony is difficult to disregard. Mr. Cain's specificity, his interactions with Galperti products during the specific timeline he identified, and the uncontested nature of his evidence give me reason to believe his evidence in this respect is both reliable and true. Mr. Cain's ability to make such specific recollections with reliability is because he interacted directly with Galperti products during his time in Alberta, which his untested affidavit outlines was when he was living in Sherwood Park, Alberta, from 1982 to 1986, prior to moving to Guelph, Ontario in 1986.

[69] Similarly, I accept Mr. Cook's recollections as reliable in light of Mr. Cain's evidence and the documentary evidence. I particularly find his evidence is reliable considering what Mr. Cook specifies what he both does and does not recall during the specified timeframe:

17. I was shown the photograph copy attached as Exhibit "B". Counsel for the Applicant informed me that this photograph is from the records of Galperti, which I believe to be true. I am

familiar with the type of wooden crate shown in the photograph, and the label with GALPERTI on it. This is similar to what I recall seeing in the mid-to-late 1980s for Galperti flanges that Shell received in Canada, for Canadian projects, as coordinated through Comco in the ordinary course. I recall the stylized GALPERTI that is on the label in the photograph being on labels for Galperti flange products purchased by Shell in the 1980s in Canada. To be more precise, I recall the stylized GALPERTI portion of the logo (shown below) often being on the external paper slip on the wooden flange crates in Canada in the 1980s.



18. I recall often seeing the Galperti flange products in Canada being packaged in the manner I describe in paragraphs 16 and 17 of my Affidavit above, in the usual course of Shell's operations and its relationship with Galperti (through Comco), until I retired from Shell in 2004.

19. Counsel for the Applicant showed me the image displayed below. I do not recall whether the other aspects of the image shown below were on the exterior paper slips for Galperti's flange products in Canada, in the 1980s. Specifically, I do not recall whether the G logo (consisting of a G inside a circle, inside a square), the GROUP within the green line, or "The Original" were included on the paper label in the 1980s (as shown below). I do, however, recall the stylized GALPERTI word shown below being on the exterior paper labels for Galperti flange products in Canada in the 1980s.

[Our emphasis]

[70] Mr. Cook's recollection of the GALPERTI Stylized trademark being on the exterior paper labels for the Galperti flange products in Canada in the 1980s, while not recalling either the G logo, the "GROUP" or "The Original" cannot be discounted.

[71] The Respondent contends that the affidavits lack critical supporting documentation and questions the reliability of Mr. Cain and Mr. Cook's testimonies due to the absence of supporting documentation, specifically on the quantity and frequency of goods exchanged (one time or sporadic). The Respondent cites, *inter alia*, *Medos Services Corporation v Ridout and Maybee LLP*, 2015 FCA 77 at paragraph 6, where the Federal Court of Court emphasized the necessity of robust documentation to substantiate trademark use in order for this Court to perform its role. However, the affidavits provided by the Applicant include precise recollections and descriptions of the trademark use, which, when considered alongside the established business practices of Comco and Shell, provide a compelling case for continuous trademark use.

[72] Mr. Cain's affidavit detailed specific instances of receiving these products and highlighted his consistent observations of the trademark, aligning with the necessity to demonstrate continuous use of a trademark to establish its market presence (*Corporativo De Marcas GJB, SA DE CV v Bacardi & Company Ltd.*, 2014 FC 323 [*Corporativo*] at paras 42-43). Likewise, Mr. Cook's affidavit supports the claim of continuous use of the trademark in the normal course of trade, reinforcing the position that these products were not sporadically present but were a regular part of business operations between Comco and Shell.

C. *Legal & Evidentiary Burdens at Play*

[73] The confusion in this case seems to arise from the parties' lack of clarity on the legal and evidentiary burdens at play in the case of an opposition proceeding where an applicant updates their original claim date to an earlier claim date after an opposition has been filed. In an effort to

explain why the Applicant is successful in this case, I shall elaborate on both of these. For reference, the trademark use that I shall discuss is the use described by Mr. Cain and Mr. Cook:

- A. Paragraph 19 of Mr. Cain’s Affidavit: “I do recall that in most, if not all, instances in Canada in the 1980s and early 1990s, the Stylized GALPERTI Word Mark referred to in paragraph 16 above appeared without other GALPERTI indicia or markings surrounding the Stylized GALPERTI Word Mark on the packing slip.”
- B. Paragraph 19 of Mr. Cook’s Affidavit: “I do not recall whether the other aspects of the image shown below were on the exterior paper slips for Galperti’s flange products in Canada, in the 1980s. Specifically, I do not recall whether the G logo (consisting of a G inside a circle, inside a square), the GROUP within the green line, or "The Original" were included on the paper label in the 1980s (as shown below). I do, however, recall the stylized GALPERTI word shown below being on the exterior paper labels for Galperti flange products in Canada in the 1980s.”



[74] The legal burden in this circumstance begs the question: what does section 16(1) of the *Act* require? Section 16(1) references and incorporates section 30 of the *Act*, which references “have so used the trademark” establishing a requirement for continuous use of a trademark in the normal course of trade. However, the jurisprudence instructs that such continuous use of a

trademark may involve periods of non-use only if such non-use falls outside the normal course of trade (*Corporativo* at paras 42-43, citing *Labatt Brewing Co v Benson & Hedges (Canada) Ltd.*, (1996) CarswellNat 392). This is a contextual exercise dependent on the facts of each case; it is not a bright-line legal test.

[75] A requirement to show continuous use establishes an initial legal burden on a trademark applicant to show compliance with the *Act* on the claimed date of first use when making their application, which subsequently establishes an evidentiary burden on would-be opponents to support allegations of non-compliance. This is exemplified best in *Labatt (John) v Molson Companies Ltd.*, 1990 CanLII 11059 (FC) [*Labatt*] where this Court stated:

Considering only the decision under appeal, I am unable to agree that it was wrongly made. **The jurisprudence is clear that where an applicant's compliance with s. 29(b) of the Trade Marks Act is in issue there is a legal burden on the applicant to show compliance, and an evidentiary burden on the opponent to lead evidence in support of the allegations of non-compliance pleaded by him.** The evidential burden is the burden of adducing sufficient evidence to persuade the trier of fact that the alleged facts are true: see Sopinka and Lederman, *The Law of Evidence in Civil Cases* (Toronto: Butterworths, 1974), pp. 395-401; *Cross On Evidence* (London: Butterworths, 1985), 6th ed., pp. 107-8; *Phipson On Evidence* (London: Sweet & Maxwell, 1982), 13th ed., para. 44-03; *McCormick On Evidence* (St. Paul: West Publishing Co.), 3rd ed., pp. 946-8, and *Thayer, Preliminary Treatise on Evidence at the Common Law* (Boston: Little, Brown & Co., 1898), c. 9.

(*Labatt* at 298) [Emphasis added].

[76] Once a trademark applicant has indicated a claimed date of first use, an opponent bears the initial evidentiary burden of adducing sufficient evidence of non-compliance. If an opponent establishes an evidentiary basis to demonstrate non-compliance, there is a shift of “the burden to

the applicant to submit evidence in support of its claimed date of first use” (*Moosehead Breweries Ltd. v Molson Cos.*, 1984 CarswellNat 1027 at para 15). However, as was applied in *Bunzl*, where a trademark applicant seeks to rely on an earlier date of first use than their initial claimed date of first use, the applicant bears a positive evidentiary burden to establish that use (*Bunzl* at para 70, citing *WiringPro Corporation Inc v Sensolutions Inc*, 2020 TMOB 128 at para 42; *DeCaria Hair Studio Ltd v Massimo De Berardinis et al*, [1984] TMOB No 39, 2 CPR (3d) 309 at para 6). This stems from the principle that the date of first use claimed by an applicant in its application must be accepted as true *in the absence of evidence to the contrary*, which I interpret to mean in the absence of evidence to the contrary *from either party* (*Bunzl* at para 70; *DeCaria Hair Studio Ltd v Massimo De Berardinis et al*, [1984] TMOB No 39, 2 CPR (3d) 309 at para 6; *Weldpro Ltd v WeldWorld*, 2021 TMOB 137 at paras 37, 43-46). It bears mentioning that, in this case, the Board correctly (albeit briefly) mentioned this point at paragraph 29 of the Decision.

[77] If an applicant claims an earlier date of use than the date claimed in its trademark application, they bear a positive evidentiary burden to adduce evidence in support of the earlier alleged date of use, failing which the date of first use claimed in their application must be accepted as true. It is unnecessary for me to determine at this time whether an opponent bears a second initial evidentiary burden to rebut the earlier alleged date of first use of the trademark as was submitted by the Applicant for a couple of reasons. While I doubt it generally, in this case, the Respondent has not adduced any additional evidence to rebut the earlier alleged date and I find the Applicant has met their positive evidentiary burden to establish use as of their earlier claimed date.

D. *Continuous Use from the Earlier Claimed Date*

[78] Having established who bears which burden, I will now elaborate on how the Applicant has met their positive evidentiary burden to establish their earlier claimed date of use.

[79] I first note that, as correctly identified at paragraph 35 of the Decision, use of a trademark in Canada by a member of the Galperti Group enures to the Applicant's benefit under section 50(1) of the *Act* because Mr. Puccio's accepted evidence outlined an inter-company license agreement for the right to use the GALPERTI trademark. The Board's finding in this respect is not under appeal.

[80] Mr. Bellioli's Affidavit adduced a book excerpt that clearly shows a GALPERTI Stylized trademark that would qualify as use of Fial's GALPERTI trademark as claimed by the Applicant existed as early as 1971. This is noteworthy because Mr. Cain corroborates that the GALPERTI Stylized trademark as seen in the 1971 Book excerpt appeared on packing slips accompanying wooden crate of Galperti forged products, including flanges, "in the 1980s and 1990s, and at least as early as late 1985 or early 1986." Mr. Cain further corroborates that Galperti flanges received in Canada and distributed by Comco in the ordinary course of Comco's distribution business "were marked with the Stylized GALPERTI Word Mark to indicate the flanges' source as Galperti." Likewise, Mr. Cook corroborates that he does not specifically recall the G Logo, the word "GROUP" within the green line, or the phrase "The Original" in the exterior paper labels for Galperti's flanges, but specifically recalled the GALPERTI Stylized trademark on those exterior paper labels in the late 1980s.

[81] The Respondent suggests Mr. Cain and Mr. Cook's evidence on continuous use should not outweigh or is contradicted by the evidence from a letter from Mr. Derek Currah, President and General Manager of Comco, which stated that Galperti has "been a long term supplier of our company... since 1992". With respect, I prefer the evidence of Mr. Cain and Mr. Cook for three reasons. First, Mr. Cain and Mr. Cook's evidence comes from first-hand experience with the subject matter at issue, whereas the letter of Mr. Currah says nothing of his own experience or knowledge of the subject. Second, Mr. Cain and Mr. Cook's evidence comes from sworn affidavits, whereas Mr. Currah's letter is merely an exhibit to Mr. Puccio's Affidavit and is therefore unsworn by Mr. Currah. Finally, as sworn affidavits, Mr. Cain and Mr. Cook's evidence has been offered as testable evidence (whether or not they were cross-examined), whereas Mr. Currah's letter was not submitted for the truth of its contents but merely for Mr. Puccio's possession of it.

[82] As outlined above, I have no reason not to accept Mr. Cain and Mr. Cook's evidence at face value. Not only did the Respondent not take the opportunity to test their evidence on cross-examination, their affidavits are statements made by prior high level and longstanding employees who worked for the Applicant's Canadian distributor and Canadian end customer, respectively. In the absence of evidence to the contrary, the fact that Mr. Cain and Mr. Cook no longer work at Comco and Shell respectively further leads me to believe there is no reason to doubt their credibility.

[83] Relying on Mr. Cain and Mr. Cook's evidence, continuous use of Fial's GALPERTI trademark in association with flanges from as early as 1986 is established. Mr. Cain's evidence

speaks to the fact that Galperti products were distributed in Canada by Comco in the normal course of trade from at least 1986 through the 1990s. Mr. Cook likewise indicates evidence that Shell received Galperti flanges “in the usual course of Shell’s operations and its relationship with Galperti (through Comco)” until he retired from Shell in 2004. While their affidavits, in and of themselves, offer no documentary evidence in support of their assertions of continuous use in the course of their respective companies’ businesses, Mr. Puccio’s Affidavit attaches invoices from Galperti to Comco. These invoices dated from as early as 1993 prove Comco was purchasing Galperti flanges, which Mr. Cain and Mr. Cook both assert Comco would then sell to Shell during this same period and in this same fashion. Mr. Puccio’s Affidavit also included sales figures from 2001 onwards, and in cross-examination he stated that he was “100 per cent sure that in the ‘80s [Galperti] was selling.”

[84] Considering Mr. Cain and Mr. Cook’s evidence went uncontested, despite the Respondent’s efforts to impeach their evidence without cross-examination, the record suggests trade between Galperti and Comco in Canada was in the same manner as Mr. Puccio’s invoices and Mr. Cain and Mr. Cook’s testimony describes. There was no suggestion that their business interactions changed during the relevant period, and the exchange of flanges and other materials took place in this manner in the normal course of trade from at least early 1986 through the 1990s.

[85] The Applicant’s new evidence on appeal in conjunction with its evidence before the Board establishes continuous use of Fial’s GALPERTI trademark in the normal course of trade from early 1986 through the 1990s, despite the lack of invoices from 1986 to 1993 and the lack

of sales volumes prior to 2001 (*Sols R Isabelle v Stikeman Elliott*, 2011 FC 59, at paras 10, 23-24).

[86] Accordingly, the Applicant's new evidence on appeal combined with its evidence before the Board establishes its prior use of Fial's GALPERTI trademark in 1986 to that of the Respondent in 1991. This combined evidence demonstrates that the Applicant is entitled to register Fial's GALPERTI trademark under section 38(2)(c) and section 16(1)(a) of the *Act* having proven that it has continuously used it from 1986 in Canada in the normal course of trade.

VI. Costs

[87] The parties were unable to reach an agreement on costs. The Applicant submitted a Bill of Costs together with a supporting affidavit. The Bill of Costs calculates fees using the middle of Column III of Tariff B, which amount to \$14,917.50, and disbursements of \$1,712.37. The Bill of Costs includes, *inter alia*, an amount for the preparation of the four affidavits submitted in this matter that responds to the deficiencies found by the Board to exist in the evidence as well as the costs ordered in the cause for an extension of time motion that was granted because the Respondent did not consent to the extension requested.

[88] While an award of costs would be appropriate in this instance, I am not inclined to award the Applicant's full Bill of Costs. As the Respondent pointed out, while the Applicant is ultimately successful, this appeal was essentially brought to remedy deficiencies identified by the Registrar in the evidence submitted by the Applicant in support of their trademark application and not to overturn any error that would have been committed by the Board. The Respondent

pointed to *Kabushiki Kaisha Mitsukan Group Honsha v Sakura-Nakaya Alimentos Ltda.*, 2016 FC 20 at para 45 and *Fruit of the Loom, Inc. v LRC Products Limited*, 2022 FC 217 at para 37.

These Federal Court decisions suggest that an applicant is not even entitled to costs in a case where its evidence filed on appeal was required because of deficiencies identified by the Board in the earlier proceedings before it.

[89] It seems uncontested as between the parties that the determining factor in this case was the new evidence submitted by the Applicant in this appeal, which I agree could have been submitted to the Registrar in the first place to potentially avoid this appeal entirely. This was confirmed by the Applicant's abandoning of most of the alleged errors in its Notice of Application. Indeed, there were no errors made by the Board and this appeal turns around the new evidence filed on appeal. An award of costs remains appropriate, as this was a contested appeal with fierce arguments and genuine questions based on significant new evidence, but a smaller, lump sum award seems more appropriate than a full award of costs based on the middle of Column III. The Respondent advised the Court that it considered that a lump sum of \$4,000, to which would be added the Applicant's reasonable disbursements, would appear reasonable in the circumstances.

[90] With this in mind, I agree with the Respondent that a lump sum costs award of \$6,575, inclusive of disbursements, is reasonable under the circumstances. For clarity, this amount includes the requested full award of costs based on the middle of Column III for the extension of time motion granted in the cause.

VII. Conclusion

[91] For all these reasons, this appeal is allowed and the Registrar of Trademarks will be directed to allow Application No. 1,599,754 for the trademark GALPERTI. As the appeal was necessary largely because of the Applicant's deficient record before the Board, the Applicant is awarded a lump sum costs award of \$6,575, inclusive of disbursements.

JUDGMENT in T-1765-22

THIS COURT'S JUDGMENT is that:

1. The appeal is granted with costs to the Applicant in the amount of \$6,575 inclusive of disbursements.
2. The Registrar of Trademarks is directed to allow Application No. 1,599,754 for the trademark GALPERTI.

"Ekaterina Tsimberis"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1765-22

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S.P.A. v GALPERTI SRL

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DATED: JUNE 25, 2024

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