

Federal Court



Cour fédérale

**Date: 20151103**

**Docket: T-1-15**

**Citation: 2015 FC 1241**

**Toronto, Ontario, November 3, 2015**

**PRESENT: The Honourable Mr. Justice Campbell**

**BETWEEN:**

**FAISAL ANASHARA**

**Applicant**

**and**

**SWAGGER PUBLICATIONS INC.**

**Respondent**

**JUDGMENT AND REASONS**

[1] The present Application is an appeal pursuant to s. 56(1) of the *Trade-marks Act*, RSC 1985, c T-13 (the *Act*) of a decision of the Registrar of Trade-marks' delegate (the Registrar) dated November 5, 2014. The decision expunged trade-mark registration number TMA 723, 265 for the trade-mark SWAGGER (the Mark) owned by the Applicant, Mr. Anashara, pursuant to s. 45 of the *Act*.

[2] At the request of Gowling Lafleur Henderson LLP, Counsel to the Respondent, the Registrar issued a notice under s. 45 of the *Act* to Mr. Anashara on July 9, 2012. As a result of the notice, Mr. Anashara was required to demonstrate with evidence the use of the SWAGGER Mark, in Canada, in association with each of the wares and services specified in the registration during the relevant time period being July 9, 2009 and July 9, 2012.

[3] In response to the s. 45 notice, unrepresented by counsel, Mr. Anashara submitted a sworn affidavit; however, he did not provide written submissions. An oral hearing was held in which Mr. Anashara did not attend and was not represented. The requesting party (Gowlings Lafleur Henderson LLP) was represented at the hearing (CTR, Registrar's Decision, p. 2 at para 7).

[4] The Registrar was not satisfied that Mr. Anashara had demonstrated use of the Mark in association with the registered wares or services within the meaning of ss. 4(1) and 4(2) of the *Act*. In addition, the Registrar was not satisfied that special circumstances existed to justify non-use in the relevant time period. In the present appeal, Mr. Anashara provided further evidence in order to change the Registrar's decision.

#### **I. Standard of Review of the Registrar's Decision**

[5] Mr. Anashara provides no submissions on the appropriate standard of review, however Counsel for the Respondent provides the following concise statement of the law:

It is well established that the appropriate standard of review of an appeal made under section 56 of the *Act* depends on whether or not

new evidence has been filed that would [sic] materially affected the Registrar's findings or its exercise of discretion. Where no such evidence has been filed, the standard of review is reasonableness. Conversely, where such evidence has been filed, the Court must decide the issue *de novo* after considering the evidence before it. (*Molson Breweries, A Partnership v John Lobbatt Ltd.* [2000] 3 FC 145 (FCA) at para 29)

As stated by Justice Carolyn Layden-Stevenson in *Levi Strauss & Co. v Vivant Holdings Ltd*, 2005 FC 707 at para 27:

“To affect the standard of review, the new evidence must be sufficiently substantial and significant. If additional evidence does not go beyond what was in substance already before the board and adds nothing of positive significance, but merely supplements or is merely repetitive of existing evidence, than [sic] a less deferential standard is not warranted. The test is one of quality, not quantity.”

(Swagger Publications' Memorandum of Fact and Law, paras 24 - 25)

[6] Therefore, the issue for determination is whether Mr. Anashara presented new evidence on the present appeal, and, if so, whether the new evidence would have materially affected the Registrar's decision.

## **II. The Evidence before the Registrar**

### **A. *The Wares***

[7] Under the *Act*, “use” is defined in s. 4(1) in relation to wares:

A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal	Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans
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course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

[8] Therefore, in response to the notice, Mr. Anashara was required to provide proof of (i) transfer of property, (ii) bearing the SWAGGER Mark, (iii) in the normal course of trade to satisfy use related to wares registered.

[9] The trade-mark SWAGGER was registered (TMA 723, 265) for the following wares: T-shirts, golf shirts, pullovers, and long sleeved shirts; (2) Men's, women's, and children's apparel and footwear, namely, shoes, sneakers, knitwear, sweaters, sweatshirts, sweatpants, sports shirts, track suits, jerseys, tank tops, t-shirts, sportswear and athletic apparel, namely, socks, shorts, uniforms, head bands, wristbands, visors, sports jackets, track suits, track pants, jackets, socks, boxer shorts, polo shirts, dress shirts, and pants, ties, handkerchiefs, scarves and gloves, hats, accessories namely, sunglasses, eyeglasses, eyeglass cases, jewelry, watches, dress bags, sports bags, toiletries, namely, personal deodorant sticks, hair gel, body gel, bath soap, hand and body lotion and moisturizer, balms; fragrance products, namely cologne; umbrellas (Applicant's Record, p. 19).

[10] Any toiletry items listed in the registration are irrelevant to this proceeding as Mr. Anashara transferred that portion of the registration to Proctor & Gamble as of July 4, 2012 (Respondent's Record, p. 11).

[11] Mr. Anashara's affidavit submitted to the Registrar included several assertions of use and exhibits purporting to demonstrate use of the Mark, but not clearly in the legal context of a transfer under the *Act*. For example, Mr. Anashara provided a purchase order for labels bearing the word "swagger", copies of emails to retailers and distributors regarding SWAGGER, as well as promotional activities. Not all of the exhibits were within the relevant time period.

[12] The Affidavit evidence did suggest that at least some wares were transferred on January 1, 2011 without any specific explanation:

[...] Included in Exhibit D are also manufacturing receipts for 5, 200 Swagger labels made in 2010 (used on my products, some of which have been marked as Exhibit I), Sales Receipts from 2011, and a receipt for jewellery manufacturing (2007).

[Emphasis added]

(Respondent's Record, p. 16 at para 6 iii)

[13] The 2011 sales receipts in Exhibit D listed the following items: t-shirts, jeans, scarves, hat, bags (athletic, tote, and weekender), pullover/hoodie, canvas shoes, jacket, coasters, caps, and deodorant (Respondent's Record, p. 39).

[14] Of these items, the following were listed wares in the registered trade-mark (TMA 723, 265): t-shirts, jeans, scarves, hats, sports bags, pullovers, shoes, jackets (Applicant's Record, p. 19).

[15] There was no other evidence of specific transfer before the Registrar.

B. *The Services*

[16] Under the *Act*, "use" is defined in s. 4(2) in relation to services:

A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

[17] Therefore, in response to the notice Mr. Anashara was required to provide proof of services provided, or the advertisement of a service provided, using the SWAGGER Mark.

[18] The trade-mark SWAGGER was registered (TMA 723, 265) for the following services: Publishing of magazines in print and electronic form accessible and downloadable via the internet or other global computer network.

[19] In his Affidavit, Mr. Anashara discussed the registration of the internet domain name [www.swaggerswagger.com](http://www.swaggerswagger.com) and included at Exhibit A of the affidavit a copy of a domain name

expiration notice for [www.swaggerswagger.com](http://www.swaggerswagger.com) to demonstrate ownership (Applicant's Affidavit, p. 1 at para 5).

[20] Exhibit I included with the affidavit was apparently an attempt to demonstrate use with regard to "online publishing" services but no explanation was included. The exhibits were: five screen shots of [www.swaggerswagger.com](http://www.swaggerswagger.com), and two screenshots of [www.swaggeroriginal.com](http://www.swaggeroriginal.com). There is also a copy of a short article labelled "March 2012 Swagger Magazine" without explanation as to its origin, whether online or print, or whether it was offered for sale or advertisement or some other context.

C. *Normal Course of Trade*

[21] Mr. Anashara did not provide any particular description of his "normal course of trade" in his affidavit.

[22] As exhibits, the affidavit included invoices for trade show and festival booths, though prior to the relevant period. These all clearly indicated the SWAGGER Mark. As well, the evidence demonstrated the operation of an internet site that appeared to offer SWAGGER items for sale to the public.

### III. The Registrar's Findings

#### A. *The Wares*

[23] The Registrar concluded that Mr. Anashara failed to demonstrate use of the Mark as required under s. 4(1). Specifically on the evidence of the January 2011 receipts, the Registrar found:

The Owner does attest that Exhibit D includes sales receipts from 2011; however, he attests to no further details whatsoever with respect to those alleged sales, apparently allowing the exhibit to speak for itself. Indeed, Exhibit D includes what appear to be 16 hand-written receipts, each dated "01/01/11". The receipts appear to show individual sales of certain clothing items, some of which correspond to wares listed in the registration. These include t-shirts, jeans, hats, hoodies, jackets, and shoes. However, I note that these receipts do not display the Mark and the Owner does not explain in any detail the context of the transactions, including whether such sales were with respect to clothing items bearing the Mark.

[Emphasis added]

(CTR, Registrar's Decision, p. 4 at para 13)

[24] The Registrar further found:

Furthermore, with respect to the Exhibit D receipts dated "01/01/11", I cannot accept that these receipts demonstrate use of the Mark for two reasons. First, it is not clear that the receipts represent sales of wares bearing the Mark as registered. In this respect, the Owner does not provide any detail regarding the sales and the Mark is not displayed on the receipts. Second, the receipts do not appear to represent sales in the normal course of trade. It would appear that the receipts were all prepared on New Year's Day 2011. Considering that the rest of the evidence does not demonstrate sales during the relevant period and that the Owner has not explained the 2011 receipts, it is difficult to conclude that the receipts demonstrate a pattern of genuine commercial



transactions [see *Philip Morris Inc v Imperial Tobacco Ltd.* (1987), 13 CPR (3d) 289 (FCTD)].

(CTR, Registrar's Decision, p. 5 at para 19)

[25] As a result the receipts were not accepted as use of the Mark within the meaning of s. 4(1).

B. *The Services*

[26] The Registrar found that Mr. Anashara failed to demonstrate use of services as required by s. 4(2):

With respect to the registered services, the Owner includes screenshots from a website, [www.swaggeroriginal.com](http://www.swaggeroriginal.com), which appear to display portions of an online "magazine". The dates shown on the pages are from the relevant period, with the Mark appearing on both pages. However, as noted by the Requesting Party at the oral hearing, the Owner does not explain the relevance of these webpages or screenshots. Indeed, while the Owner attests that his website is [www.swaggeroriginal.com](http://www.swaggeroriginal.com) and provides registration documents to demonstrate his ownership, he makes no reference whatsoever to [www.swaggeroriginal.com](http://www.swaggeroriginal.com) in the body of his affidavit. There is nothing in the exhibit itself which enables me to make any inferences that the website is owned or operated by the Owner or that the articles were produced by the Owner or a licensee. In the absence of further explanatory details, I am unable to conclude that any display of the Mark on that website constitutes use by the Owner in association with the registered services.

As such, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services within the meaning of ss. 4(2) and 45 of the Act.

(CTR, Registrar's Decision, p. 6 at paras 21 - 22)

C. *Normal Course of Trade*

[27] The Registrar did not make a specific finding on what constituted normal trade for Mr. Anashara but noted with respect to the January 2011 receipts that: "...the receipts do not appear to represent sales in the normal course of trade." (CTR, Registrar's Decision, p. 5 at para 19).

IV. **The Evidence on Appeal**

A. *The Wares*

[28] On this appeal, Mr. Anashara submitted additional information and exhibits in his affidavit to the Court describing the transfer of goods on January 1, 2011 as follows:

I, Faisal Anashara, as the owner of trade-mark, SWAGGER, am appealing the Registrars decision pursuant to Section 56 of the trademarks act on the basis that the Registrar made a mistake in cancelling my mark alleging non-use. I have spent a lot of money, time, and effort on the SWAGGER trade-marl from the time that I filed an application to register the SWAGGER mark with the Canadian Intellectual Property Office on October 6, 2006 to now for me not to use the mark or leave it idle. I have used the SWAGGER trade-mark on products and services and continue to use the mark. I find the allegation of non-use quite surprising and the decision to expunge my trademark unfair. Exhibit B shows evidence of use of the mark on various products and services. It shows pictures of wares that demonstrate transfer of wares in the normal course of trade and leaves no doubt in the consumers mind as to what the brand and trademark is and the goods and services associated with it. It includes t-shirts with the SWAGGER mark printed as labels on the inside of the T-shirts' and on the t-shirts as well, dress shirts Sewn in Toronto that clearly display a woven SWAGGER label inside the shirt (one of the 5,200 labels bought in 2010 and for which the receipt was provided to the Registrar), Jeans that also show the SWAGGER label, a SWAGGER trademark branded shopping bag in which products bought by customers are put in, a flyer promoting sales on SWAGGER

products at the Caribana festival in Toronto in 2012, a flyer for a SWAGGER New Years shopping event in 2011 for which sales receipts were provided in the original evidence sent to the Registrar, different SWAGGER products that were available for sale as well as SWAGGER magazine articles and interviews that range from sports, music, fashion, products, people and culture during the three period preceding the section 45 Notice (2009-2012).

[Emphasis added] [sics not included]

(Applicant's Record, p. 9 at para 2)

[29] In the course of the hearing of the present appeal, Mr. Anashara provided sworn oral testimony to clarify his affidavit evidence. Mr. Anashara testified that his second affidavit was an attempt to fill holes that he believed were raised by the Registrar and explained that the photos of the goods were submitted to demonstrate the goods he sold with the labels attached.

[30] During cross-examination, Mr. Anashara confirmed that the written receipts were produced on January 1, 2011. He testified that as a small business operator, it was common practice to use handwritten receipts such as those submitted as evidence.

[31] During the cross-examination of Mr. Anashara, and in submissions, Counsel for the Respondent raised the issue of Mr. Anashara's credibility, generally, and specifically with respect to his evidence of use. On the issue of use, Mr. Anashara provided responsive and cogent answers to all questions posed under cross-examination. Counsel for the Respondent did not provide any evidence to contradict Mr. Anashara's evidence. Accordingly, I find that Mr. Anashara's evidence is credible.

B. *The Services*

[32] In the second affidavit filed with the Court, Mr. Anashara does not clearly discuss how SWAGGER is used for the services as registered.

[33] Some of the exhibits to the affidavit appear to be an attempt to address the use with respect to services. Specifically, Mr. Anashara provided the following: a WHOIS domain search result for www.swaggeroriginal.com (Exhibit G, p. 95) to demonstrate ownership; additional photos that appear to be screen shots from the two websites (Exhibit B, pp. 27 – 30 for example); and several screen shots of short articles posted anonymously on the www.swaggeroriginal.com website (Exhibit B, pp. 45 - 54).

[34] I find that Mr. Anashara has failed to establish what type of publication services to which SWAGGER is registered and used.

C. *Normal Course of Trade*

[35] Included in Exhibit B to the second affidavit are promotional flyers for a New Year's 2011 Sale as well as the 2012 Caribana festival (Applicant's Record, pp. 41 - 42).

[36] In testimony, Mr. Anashara confirmed in a straight forward manner that he sells items at festivals, trade shows, and other opportunities described as "pop-ups" where, as I understand the evidence, goods are temporarily offered for sale either in a commercial environment or at an

invitation only social event. In submissions, Mr. Anashara stated that small businesses such as his do not sell wares in large stores such as department, drug, or grocery stores.

**V. Is there New Evidence?**

[37] Counsel for the Respondent argues that Mr. Anashara's "new" evidence provided on the present appeal is simply a repetition of the evidence he provided to the Registrar. With respect to wares and the normal course of trade issues, I disagree with this argument. I find that Mr. Anashara has provided credible new evidence on these two issues.

[38] As to wares and the normal course of trade, I find that the additional information expressed in Mr. Anashara's affidavit and oral testimony is important because it provides date, location, and context to his evidence that sales of wares displaying the Mark took place on January 1, 2011. With respect to those sales, in addition to the sales receipts which establish what was sold, in advance Mr. Anashara published a flyer advertising the sales event. On the face of the flyer is the Mark, SWAGGER, in large type followed by the these words:

Celebrate With Us January 1, 2011 a new year Please join us for an evening of mingling, shopping and refreshments. We will be serving finger foods and music that are guaranteed to hit the spot. Party starts on New Years eve and goes straight through till New Years. From: 10PM to 4AM. CALL 416-898-5555 LOCATION 826 COLLEGE STREET. ADMITTANCE IS LIMITED TO CAPACITY OF VENUE

(Applicant's Record, p. 41)

[39] As to the normal course of trade issue, on the evidence I find that Mr. Anashara's business operates in a unique to some, but fully normal course of trade to many.

[40] As to services, I find that Mr. Anashara has failed to provide new evidence to that supplied to the Registrar. The affidavit evidence does not clearly establish that Mr. Anashara publishes or provides publication services using the SWAGGER Mark, or that the SWAGGER Mark has been used in the advertising of publication or publication services, in particular, within the time frame required by the notice being between July 9, 2009 and July 9, 2012.

**VI. Would the New Evidence Have Made a Difference to the Registrar?**

[41] The burden on Mr. Anashara to demonstrate use is not high; he need only demonstrate a *prima facie* case of use and a single transaction may be sufficient where it is found to be *bona fides* during the relevant period in the normal course of trade (*Jagotec AG v Riches, McKenzie & Herbert*, 2006 FC 1468 at para 5; *Vogue Brassiere Inc. v. Sim & McBurney*, (2000) 180 FTR 220 at para 43).

[42] I find that the new evidence described would most certainly have made a difference to the Registrar on both the transfer of wares and the normal course of trade issues. This is so because it would have resulted in a finding that, in response to the notice with respect to the wares, the sale of wares on January 1, 2011 met the requirements of s. 4(1) of the *Act*. In my opinion, the Registrar would have maintained the registration for those wares: t-shirts, jeans, scarves, hats, sports bags, pullovers, shoes, and jackets.

[43] No evidence was provided to demonstrate use of the Mark in association with any of the other wares listed in TM registration 723, 265.

**VII. Result**

[44] For the reasons provided, the present appeal is allowed, in part.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that:**

I hereby order that the Registrar's decision to expunge the SWAGGER Mark with respect to "t-shirts, jeans, scarves, hats, sports bags, pullovers, shoes, and jackets" is set aside.

I order costs payable to Mr. Anashara by the Respondent in the lump sum of \$1,500.00 payable forthwith.

"Douglas R. Campbell"

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Judge



**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1-15

**STYLE OF CAUSE:** FAISAL ANASHARA v SWAGGER PUBLICATIONS  
INC.

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** OCTOBER 21, 2015

**JUDGMENT AND REASONS:** CAMPBELL J.

**DATED:** NOVEMBER 3, 2015

**APPEARANCES:**

Faisal Anashara

FOR THE APPLICANT  
(ON HIS OWN BEHALF)

Stephen M. Turk

FOR THE RESPONDENT

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