

Federal Court



Cour fédérale

Date: 20190703

Docket: T-1525-18

Citation: 2019 FC 882

Ottawa, Ontario, July 3, 2019

PRESENT: The Honourable Mr. Justice Barnes

BETWEEN:

REUSABLE BAG INDUSTRIES PTY LTD

Applicant

and

MARAT GAISIN

Respondent

JUDGMENT AND REASONS

[1] This is an appeal brought by Reusable Bag Industries Pty Ltd (RBI) under ss. 56(1) of the *Trade-marks Act*, RSC, 1985, c T-13 (Act) from a decision of the Registrar of Trademarks (Registrar) expunging Canadian Registration No. TMA 791,496 (the Mark) on the basis of non-use. RBI also seeks relief under ss. 56(1) of the Act for the Court to hear the appeal, notwithstanding the fact that it was filed more than two months from the date the Registrar dispatched notice of the expungement decision.

[2] The record discloses that the Registrar's review of the status of the Mark resulted from a request from the Respondent, Marat Gaisin, made under s. 45 of the Act.

[3] Mr. Gaisin has filed no evidence on this appeal and he did not appear for the hearing. He did file a one page unsigned submission asserting that he has "no ability to engage in Federal Court of Canada". That submission asserts his ownership of the Mark in Europe and his outstanding attempt to register the Mark in Canada. He also acknowledges RBI's ownership of the Mark for use in Canada but vaguely questions whether the wares it covers are available here.

[4] The underlying administrative history of this case appears straight-forward. RBI is a successor to the original owner of the Mark. The Mark was first registered in Canada on February 23, 2011. Sometime late in 2017 Mr. Gaisin asked the Registrar to give notice under s. 45 of the Act to the registered owner of the Mark to provide evidence of its use in Canada during the preceding three years. Because RBI had not updated the registration of the Mark, the Registrar's Notice, sent on December 13, 2017, went to an old, unused address. In the result, the request for evidence was never received by RBI. Naturally it went unanswered.

[5] On April 17, 2018, the Registrar sent notice that the Mark would be expunged from the registry after 60 days unless an appeal to this Court was filed in the meantime. Again, the Registrar's notice of default went to the same inactive address as did the Notice of Expungement sent on July 19, 2018.

[6] According to the affidavit of the owner of RBI, Mark David-Tooze, the first time he or anyone else at RBI learned of the expungement of the Mark was on June 20, 2018. Canadian counsel was then retained in July 2018 and this appeal was commenced on August 16, 2018.

[7] Under s. 56 of the Act, an appeal from an expungement decision is to be brought within two months from the date the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

[8] It is not entirely clear what date is to be used to calculate the running of time under s. 56. If the decision on appeal was taken from the Registrar's notice sent on April 17, 2018, the time to appeal would have ended in mid-June 2018. On the other hand, if time began to run on the date of the final expungement decision on July 19, 2018, this appeal is not out of time.

Regardless, if an extension of time is required to consider this appeal on the merits, I will exercise my discretion to allow it. RBI has explained its failure to respond to the Registrar's request for information. It did not knowingly allow the matter to lapse but, instead, acted promptly once it became aware of the problem. I am satisfied on the evidence presented that RBI has met the burden required for an extension as described in *Canada (Attorney General) v Hennelly*, [1999] FCJ No 846, 89 ACWS 3d 376 (FCA). In particular, from the point of becoming aware of the Registrar's decision, RBI had a continuing intention to pursue the matter and did, in fact, pursue it. There is clear and undisputed evidence that the appeal has merit. There is no evidence that the Respondent, or anyone else, has suffered prejudice by virtue of the delay. And, as described above, RBI has provided a reasonable explanation for the delay. Indeed, this case is indistinguishable from the situation described in *Tint King of California v*

Canada (Registrar of Trade-Marks), 2006 FC 1440, [2006] FCJ No 1808, where an extension of time to bring an appeal was allowed.

[9] Dealing next with the merits of the appeal, I am satisfied that the Registrar's expungement decision must be set aside. The Court has been presented with detailed, unchallenged affidavits establishing RBI's ownership, control and use of the Mark. Widespread use of the Mark, in association with the sale of designated wares in the period between December 13, 2014 and December 13, 2017, has been proven by the affidavit of Paul McGowan. Mr. McGowan is the CEO of Betta Brands Inc. which is the exclusive distributor of RBI's ENVIROSAX products in Canada and the United States. According to Mr. McGowan, Betta Brands Inc. has sold branded merchandise to several Canadian customers during the relevant period in the ordinary course of trade. Copies of invoices and photographs of the branded merchandise sold into the Canadian market during that time are attached to his affidavit.

[10] According to the affidavit of Mr. David-Tooze, the Mark is well known in Canada on the basis of Canadian usage for more than a decade. His affidavit describes that use in the following way:

20. Today, as during the Relevant Period, SYT ships ENVIROSAX-branded bags for Canadian and United States markets to RBI's distributor Betta Brands in the United States. In turn, Betta Brands distributes those bags to retailers and directly to consumers in Canada, as well as the United States. Betta brands provides RBI with market feedback, and notifies RBI of any quality control problems that need to be addressed at SYT. Any ENVIROSAX-branded bags sold into Canada are therefore quality-controlled and authorized by RBI.

[11] I am satisfied that, had the Registrar had the evidence that has been presented to me on this appeal, the Mark would not have been expunged. The appeal is accordingly allowed, and the Registrar's decision to expunge the registration of the Mark is set aside. The Court further declares that the Mark shall be reinstated and maintained on the Register.

[12] The Applicant has requested costs of this appeal but I am not disposed to award them. This appeal would not have been necessary if RBI had kept its Canadian registration up-to-date. It should not now benefit from a problem of its own making.

JUDGMENT IN T-1525-18

THIS COURT'S JUDGMENT is that the Registrar's decision to expunge Canadian Registration No. TMA 791,496 from the Register is set aside.

THIS COURT'S FURTHER JUDGMENT is that the above-noted trademark is to be reinstated to the Register.

"R.L. Barnes"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1525-18

STYLE OF CAUSE: REUSABLE BAG INDUSTRIES PTY LTD v MARAT
GAISIN

PLACE OF HEARING: TORONTO, ON

DATE OF HEARING: JUNE 17, 2019

JUDGMENT AND REASONS : BARNES J.

DATED: JULY 3, 2019

APPEARANCES:

Vaclav Graham Honsa

FOR THE APPLICANT

N/A

FOR THE RESPONDENT

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FOR THE APPLICANT

N/A

FOR THE RESPONDENT