

Federal Court



Cour fédérale

Date: 20230207

Docket: T-1688-22

Citation: 2023 FC 179

Toronto, Ontario, February 7, 2023

PRESENT: The Honourable Madam Justice Aylen

BETWEEN:

MASTER SADDLES INC.

Applicant

and

MOFFAT & CO.

Respondent

JUDGMENT AND REASONS

[1] This application is an appeal pursuant to section 56 of the *Trademarks Act*, RSC, 1985 c T-13 [*TMA*] of the decision issued June 17, 2022, by the Registrar of Trademarks [Registrar] in respect of proceedings under section 45 of the *TMA*, pursuant to which two trademark registrations in the name of the Applicant with identical lists of goods and services were amended to delete all goods and all services, except for the following services: (a) sale of horse tack, namely saddles, breast collars, headstalls, and saddlebags; and (b) sale of briefcases.

I. Background

[2] On July 3, 2013, Canadian Trademark Registration No. TMA854432 for “MASTER SADDLES CANADA” [Word Mark] was issued to the Applicant.

[3] On July 3, 2013, Canadian Trademark Registration No. TMA854433 [Design Mark] was issued to the Applicant for the trademark of an oval surrounding a horse, western designs, and “Master Saddles Canada” as shown below:



[4] The Word Mark and the Design Mark are collectively referred to herein as the Marks.

[5] Both Marks were registered for use in association with the following goods:

- a. Horse tack, namely saddles, saddle blankets, stirrups, bridles, halters, reins, bits, harnesses, martingales, breastplates, breast collars, headstalls, and saddlebags.
- b. Clothing and apparel, namely hats, handkerchiefs, jackets, vests, shirts, neckties, gloves, belts, pants, shorts, chaps, socks, boots and shoes, as well as briefcases.

[6] Both Marks were also registered for use in association with the following services:

- a. Importation, exportation, purchase, sale and trade of horse tack, namely saddles, saddle blankets, stirrups, bridles, halters, reins, bits, harnesses, martingales, breastplates, breast collars, headstalls and saddlebags.
- b. Importation, exportation, purchase, sale and trade of clothing and apparel, namely hats, handkerchiefs, jackets, vests, shirts, neckties, gloves, belts, pants, shorts, chaps, socks, boots and shoes, as well as briefcases.

[7] On February 1, 2021, the Registrar issued a notice pursuant to section 45 of the *TMA* requiring the Applicant to furnish, within three months of the date of the notice, an affidavit or a statutory declaration showing, with respect to each of the goods and services specified in the registration, whether the Word 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. The relevant three-year period for the Word Mark was February 1, 2018, to February 1, 2021.

[8] On February 2, 2021, the Registrar issued a similar notice pursuant to section 45 of the *TMA* in relation to the Design Mark. The relevant three-year period for the Design Mark was February 2, 2018, to February 2, 2021.

[9] On April 6, 2021, the Applicant filed the affidavit of Cassio Salerno, the founder and owner of Master Saddles Inc., sworn March 24, 2021, in response to both section 45 notices.

[10] On July 27, 2021, the requesting party filed its written submissions.

[11] No written submissions were filed by the Applicant and no oral hearing was held.

[12] On June 17, 2022, the Registrar issued its decision, wherein the Registrar advised that the registrations for both the Word Mark and the Design Mark would be amended to delete the entirety of the registered goods and the statement of services would be amended to delete all services other than:

- a. Sale of horse tack, namely saddles, breast collars, headstalls, and saddlebags.
- b. Sale of briefcases.

[13] On August 17, 2022, the Applicant commenced the within application appealing the decision of the Registrar solely seeking reinstatement of the Word Mark and Design Mark in relation to certain goods and services, resulting in a requested registration for the Word Mark and Design Mark in association with the following (with the proposed reinstated goods and services underlined):

- a. Goods
 - i. Horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.
 - ii. Briefcases.
- b. Services
 - i. Sale and trade of horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.

- ii. Sale and trade of briefcases.

[14] In support of the application, the Applicant filed a second affidavit from Mr. Salerno sworn September 16, 2022 [Second Salerno Affidavit], which provided additional evidence regarding the use of the Marks.

[15] The Respondent takes no position on the application.

II. Analysis

[16] Section 56(5) of the *TMA* provides that, on an appeal from a decision of the Registrar, the Court may consider additional evidence that was not adduced before the Registrar and may exercise any discretion vested in the Registrar. In the context of a section 45 proceeding, where additional evidence is filed on appeal that would have materially affected the Registrar's findings of fact or the exercise of discretion, the standard of review is correctness and the Court must reach its own conclusion and decide the issue *de novo* considering all of the evidence before it [see *Caterpillar Inc v Puma SE*, 2021 FC 974 at para 32].

[17] To be considered "material", the new evidence must be sufficiently substantial and significant, and of probative value [see *Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at para 21].

[18] The Court now has before it the Second Salerno Affidavit, which speaks directly to the issue of use of the Marks in the normal course of trade during the relevant periods and is far more comprehensive than his first affidavit that was before the Registrar. I am satisfied that this evidence

has probative significance and would have materially affected the Registrar's findings. Accordingly, the Court will decide this matter *de novo*.

[19] Section 45 of the *TMA* provides a summary and expeditious procedure for clearing the register of registrations that have fallen into disuse [see *Miller Thompson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 9]. The threshold for establishing "use" in a section 45 proceeding is quite low and it is not necessary for a registered owner to provide over-abundant evidence of the Mark's use or utilization [see *Vêtement Multi-Wear Inc v Riches, McKenzie & Herbert LLP*, 2008 FC 1237 at para 20].

[20] The owner of a trademark in textual form (i.e., a word mark) is entitled to use those words in any size and with any style of lettering, colour or design. As a result, the use by the Applicant of the Design Mark also constitutes use of the Word Mark [see *FFAUF SA v Industria di Diseno Textil, SA*, 2020 FC 521 at paras 54, 57, 60].

A. Use in Association with Goods

[21] A trademark 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 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 [see subsection 4(1) of the *TMA*].

[22] Even evidence of a single sale in the normal course of trade would be sufficient to maintain a registration, so long as it is considered to be a genuine commercial transaction and not contrived

to protect a trademark's registration [see *Vêtement Multi-Wear*, *supra* at para 22; *Attraction Inc v Ethika Inc*, 2018 FC 1136 at para 13].

[23] Tags and labels affixed to goods at the time of sale are an example of a way in which a trademark can be associated with goods so as to establish use of the mark within the meaning of section 4 of the *TMA* [see *Locke v Osler, Hoskin & Harcourt LLP*, 2011 FC 1390 at paras 26-27].

[24] In this case, the Applicant asserts that there is new evidence from Mr. Salerno that goods bearing the Marks (either on the goods themselves, on the packages in which they were distributed or on the invoices for the sale of the goods) were shipped to customers in Canada and that the customers in fact received such goods.

[25] Having reviewed the Second Salerno Affidavit, I am satisfied that there is evidence of use of the Marks in the normal course of trade in relation to the following items sold by the Applicant in the relevant periods:

- a. Saddles, with the Marks tooled on the saddles, affixed to the saddles or by way of a hang tag and invoices for sales of saddles.
- b. Stirrups, with the Marks affixed to both sides of the stirrup hobble straps.
- c. Bridles, halters, harnesses, breastplates, breast collars, headstalls and saddle bags, with the Marks tooled or affixed thereon and invoices for the sales thereof.

[26] In relation to briefcases, the evidence before the Court is that the Applicant offered them for sale during the relevant period (including in its catalogue) but that none were, in fact, sold, perhaps due to the COVID-19 pandemic. In the absence of any evidence of a transfer in the normal

course of trade, I am not satisfied that there is evidence of use of the Marks in association with briefcases during the relevant period. As such, I see no basis to amend the registrations to include briefcases among the enumerated goods.

B. *Use in Association with Services*

[27] A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services [see subsection 4(2) of the *TMA*].

[28] Having reviewed the Second Salerno Affidavit, I am satisfied that there is use of the Marks in association with the sale of saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, saddlebags, and briefcases during the relevant periods based on the Applicant's price list dated 2018, the Applicant's catalogue dated December 2020, and invoices related to the sale of these items during the relevant period (other than briefcases).

[29] The Applicant requests that the Court order the amendment of the registrations to refer not only to the sale of these items, but also to the "trade" of these items. The Applicant asserts that the word "trade" is synonymous with "sale" and as a result, "sale and trade" refer to the same activity and thus should both be reflected in the registrations. At the hearing of this appeal, the Applicant conceded that there is no evidence before the Court of any trade of the goods in question (i.e., goods in exchange for services or other goods, as opposed to goods in exchange for money). In the absence of such evidence, I see no basis to amend the registrations to include trade services.

[30] In light of my findings above, I am satisfied that the appeal should be granted in part and that the registrations for the Marks should be amended as requested by the Applicant, other than as it relates to briefcases and trade services.

[31] As the Respondent did not oppose the application, the Applicant does not seek its costs.

JUDGMENT in T-1688-22

THIS COURT’S JUDGMENT is that:

1. The Registrar’s decision dated June 17, 2022, is set aside, in part.
2. Trademark Registration No. TMA854432 for the trademark “MASTER SADDLES CANADA” shall be amended to include the following goods and services:

Goods

- Horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.

Services

- Sale of horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.
- Sale of briefcases.

3. Trademark Registration No. TMA 854433 for the design mark shall be amended to include the following goods and services:

Goods

- Horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.

Services

- Sale of horse tack, namely saddles, stirrups, bridles, halters, harnesses, breastplates, breast collars, headstalls, and saddlebags.
- Sale of briefcases.

4. The parties shall bear their own costs.

“Mandy Aylen”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1688-22

STYLE OF CAUSE: MASTER SADDLES INC. v MOFFAT & CO.

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: FEBRUARY 6, 2023

JUDGMENT AND REASONS: AYLEN J.

DATED: FEBRUARY 7, 2023

WRITTEN SUBMISSIONS BY:

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