

Federal Court



Cour fédérale

Date: 20100916

Docket: T-2103-09

Citation: 2010 FC 925

Ottawa, Ontario, September 16, 2010

PRESENT: The Honourable Madam Justice Bédard

BETWEEN:

ARBOUR RECYCLED PRODUCTS

Applicant

and

**ATTORNEY GENERAL OF CANADA
RICHES, MCKENZIE & HERBERT LLP**

Respondents

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an appeal, pursuant to section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 [TMA], from a decision of the Registrar of Trade-marks of the Canadian Intellectual Property Office (the Registrar). The Registrar decided that the applicant's trade-mark, ARBOUR & DESIGN, Registration No. TMA416,409 (the Mark), should be expunged from the Trade-marks Register (the Register) on account of the applicant's failure to file evidence of use in response to a notice sent pursuant to subsection 45(1) of the TMA (Section 45 Notice). For the reasons that follow, the appeal will be allowed in part.

I. Background

[2] The applicant originally registered the Mark on September 3, 1993. It renewed its registration in September 2008 by paying the prescribed fee. The following wares are listed in the Mark's registration:

Recycled fine writing paper, recycled drawing paper, recycled envelopes, recycled computer paper, recycled paper pads, recycled cardstock, recycled kit folders, recycled paper labels, recycled paper greeting cards, recycled plastic travel mugs, recycled plastic recycling boxes, unbleached cotton shopping bags.

[3] The following services are also listed in the registration:

Photocopying, printing (i.e. business cards, letterhead, envelopes, brochures, invitations, posters, reports, pads, labels) on recycled paper using vegetable oil-based inks, layout and typesetting.

[4] The respondent, Riches, McKenzie & Herbert LLP, requested that the Registrar issue a Section 45 Notice to the applicant. On June 22, 2009, the Registrar sent the requested Section 45 Notice to the applicant, asking it to furnish evidence of use of the Mark during the preceding three year period. The applicant alleges that it never received this notice. On October 28, 2009, the Registrar sent a second notice to the applicant advising it that because no evidence of use had been filed, the Mark would be expunged from the Register pursuant to subsection 45(5) of the *TMA*, subject to an appeal being brought under section 56. This second notice was received by the applicant.

[5] The applicant appeals the Registrar's decision to expunge its registration from the Register. For the purposes of this appeal, the applicant has submitted an affidavit sworn by Mr. Sean

Twomey, a co-owner and co-founder of the applicant. In it, Mr. Twomey claims the applicant never received the original Section 45 Notice and, thus, was not aware of the requirement to furnish evidence of use. He goes on to set out the applicant's use of the Mark during the relevant period. Specifically, Mr. Twomey indicates that the applicant sold unbleached cotton shopping bags throughout the relevant period, each bag bearing the Mark in issue. Three sales receipts, showing sales within the relevant time period, as well as photographs of the bags, were submitted as attachments to the affidavit. Mr. Twomey does not allege use of the Mark during the relevant period in association with any of the other wares or services listed in the TMA416,409 registration.

[6] The applicant asks this Court to set aside the Registrar's decision and restore the Mark to its original status. Neither respondent filed a Notice of Appearance or made any submissions to this Court regarding the merits of this matter.

II. Analysis

A. The New Evidence

[7] Before turning to the merits of this appeal, I must first consider whether Mr. Twomey's affidavit evidence regarding use can be accepted by this Court, given that no evidence was submitted to the Registrar. Subsection 56(5) of the *TMA* indicates that "On an appeal [from a decision of the Registrar], evidence in addition to that adduced before the Registrar may be adduced..." The Federal Court of Appeal has made it clear that new evidence may be adduced on appeal even when no evidence was originally submitted to the Registrar following a Section 45 Notice (*Austin Nichols & Co v Cinnabon*, [1998] 4 FC 569 at para 17, 82 CPR (3d) 513 (CA)). The

same principle has been applied recently by this Court (*Vêtement Multi-Wear v Riches, McKenzie & Herbert LLP*, 2008 FC 1237 at para 17, 73 CPR (4th) 3 [*Multi-Wear*]).

[8] In this case, the applicant claims it never received the Section 45 Notice and, thus, did not know it had to respond by providing evidence of use. It is clear, on the authorities cited above, that under these circumstances, the applicant is entitled to submit its new evidence (namely, the affidavit of Mr. Twomey) for consideration in this appeal.

B. *The Standard of Review*

[9] The Federal Court of Appeal in *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 at para 51, 5 CPR (4th) 180 (CA), held that where, under section 56 of the *TMA*, additional evidence is introduced that, “would have materially affected the Registrar’s findings of fact or the exercise of his discretion,” the appropriate standard of review is correctness. Justice Shore, in *Multi-Wear*, above at para 16 applied this principle to a situation similar to the one presently before this Court. He held that because “the Registrar’s decision was based on a failure to provide evidence of use... the new evidence of use presented... has probative significance; therefore, the standard of review... is correctness.” That is the case here as well – no evidence of use was before the Registrar. Evidence of use is before this Court. Thus, the appropriate standard of review is correctness.

C. *Evidence of Use*

[10] To succeed in this appeal, the applicant must satisfy the criteria set out in section 45 of the *TMA*. Subsection 45(1) is clear that when responding to a Section 45 Notice, the registered owner

of the trade-mark in question must furnish evidence showing, “with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of notice” (emphasis added) and if not, why not. Subsection 45(3) explains that the trade-mark is liable to be expunged or amended if it appears that “either with respect to all of the wares or services specified... or with respect to any of those wares or services, [the trade-mark] was not used in Canada at any time during the three year period...” (emphasis added) unless special circumstances are put forth which excuse the absence of use.

[11] The “use” that is required to be shown is “use” as described in section 4 of the *TMA (Plough (Canada) Ltd v Aerosol Fillers*, [1981] 1 FC 679 at para 11, 34 NR 39 (CA); *Guido Berlucchi & C. S.r.l. v Brouillette Kosie Prince*, 2007 FC 245, 56 CPR (4th) 401 at para 18). Subsection 4(1) and 4(2) of the *TMA* read as follows:

When deemed to be used

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

Quand une marque de commerce est réputée employée

4. (1) Une marque de commerce est réputée employée en liaison avec des marchandises si, lors du transfert de la propriété ou de la possession de ces marchandises, dans la pratique normale du commerce, elle est apposée sur les marchandises mêmes ou sur les colis dans lesquels ces marchandises sont distribuées, ou si elle est, de toute autre manière, liée aux marchandises à tel point qu’avis de liaison est alors donné à la personne à qui la propriété ou

possession est transférée.

Idem

(2) 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.

Idem

(2) 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.

[12] While the onus is on the registered owner to demonstrate use in connection with each of the stated wares and services, the case-law makes it clear that the burden of proof is not a heavy one. It is sufficient if the owner establishes a *prima facie* case of use (see e.g. *Guido Berlucchi*, above at para 18; *Brouillette Kosie Prince v Great Harvest Franchising*, 2009 FC 48, 77 CPR (4th) 247 at para 32). As indicated by this Court in *Philip Morris v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289, 8 FTR 310 (FCTD) at para 12:

Evidence of a single sale, whether wholesale or retail, in the normal course of trade may well suffice so long as it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trade mark. Evidence in response to a [s. 45] notice should be forthcoming in quality, not quantity, and there is no need nor justification for evidentiary overkill.

[13] Although the evidentiary burden is not high, the wording of section 45 of the *TMA* is clear that, barring special circumstances, use must be demonstrated in connection with *each* of the wares and services listed in the registration. This requirement was recently underscored by Justice Barnes in *Tucumcari Aero v Cassels, Brock & Blackwell LLP*, 2010 FC 267, 81 CPR (4th) 372 at para 20 where he indicated that, for the purposes of section 45, “there must be some evidence to show that the trade-mark was used in association with each ware specified in the registration.” Similarly, the

Federal Court of Appeal in *John Labatt Ltd v Rainier Brewing* (1984), 80 CPR (2d) 228 at 236, 50

NR 296 (FCA) instructed that:

If [the registered owner] shows that the mark is in use in Canada with respect to all of the wares specified then, clearly, the registration is not to be touched. If, on the other hand, he shows that the mark is in use in Canada with respect to some but not all of the wares, the registration is liable to be amended. (emphasis added)

[14] In this case, through a combination of Mr. Twomey's affidavit statements regarding sales of the shopping bags and the photocopies of receipts showing their actual sale during the relevant three year time period, the applicant has discharged its burden of demonstrating use of the Mark in connection with the "unbleached cotton shopping bags" ware. However, the applicant has not provided evidence of use in connection with any of the other wares (ex. the paper products, travel mugs, etc.) or any of the services listed (ex. photocopying, printing, etc.) in the registration. Nor has it provided an explanation for the lack of use in connection with these wares and services that might amount to "special circumstances" for the purposes of excusing non-use. Although the applicant does reference plans for future expanded use of the Mark, the jurisprudence is clear that plans for future use, which do not explain the period of non-use, cannot amount to special circumstances for the purposes of subsection 45(3) (see *Scott Paper Ltd v Canada (Attorney General)*, 2008 FCA 129, 291 DLR (4th) 660 at para 28).

III. Conclusion

[15] This appeal is granted in part. The decision of the Registrar to expunge registration TMA416,409 from the Register is set aside with respect to the "unbleached cotton shopping bags".

Although the registration will remain on the Register, the remainder of the wares and services listed therein will be deleted.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that the appeal is allowed in part and:

1. the Registrar's decision (i.e. the decision indicating that registration TMA416,409 should be expunged from the Register) is set aside;
2. registration TMA416,409 for the ARBOUR & DESIGN trade-mark is to be maintained in the Register, but with amendments to delete all wares and services other than the "unbleached cotton shopping bags" ware;
3. no costs are awarded.

« Marie-Josée Bédard »

Judge

FEDERAL COURT

NAME OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: T-2103-09

STYLE OF CAUSE: **ARBOUR RECYCLED PRODUCTS
and
ATTORNEY GENERAL OF CANADA
RICHES, MCKENZIE & HERBERT LLP**

**PLACE OF HEARING
(BY VIDEOCONFERENCE):** Ottawa, Ontario

DATE OF HEARING: September 14, 2010

**REASONS FOR JUDGMENT
AND JUDGMENT:** Bédard J.

DATED: September 16, 2010

APPEARANCES:

Stephen B. Acker FOR APPLICANT
Marisa Victor

No appearance FOR RESPONDENTS

SOLICITORS OF RECORD:

FASKEN MARTINEAU DuMOULIN LLP FOR APPLICANT
Ottawa, Ontario

Myles J. Kirvan FOR RESPONDENTS
Deputy Attorney General of Canada