



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2024 TMOB 81

Date of Decision: 2024-04-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: E. & J. Gallo Winery

Registered Owner: O'Rourke Family Vineyards Ltd.

Registration: TMA1,044,097 for DITCHDIGGER

INTRODUCTION

[1] This decision involves a summary expungement proceeding under section 45 of the Trademarks Act, RSC 1985, c T-13 (the Act) with respect to registration No. TMA1,044,097 for the trademark DITCHDIGGER (the Mark), owned by O'Rourke Family Vineyards Ltd. (the Owner).

[2] The Mark is registered for use in association with "wine".

[3] For the reasons that follow, I conclude that the registration ought to be expunged.

PROCEEDING

[4] At the request of E. & J. Gallo Winery (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on February 9, 2023, to the Owner.

[5] The notice required the Owner to show whether the Mark was used in Canada in association with the goods specified in the registration at any time within the three-year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is February 9, 2020, to February 9, 2023.

[6] With respect to goods, the definitions of use are set out in section 4 of the Act as follows:

4(1) 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.

[...]

4(3) A trademark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

[7] The purpose of section 45 of the Act is to create a summary procedure for clearing the register of marks that have fallen into disuse, often described as a process for removing “deadwood” from the register [*Black & Decker Corp v Method Law Professional Corp*, 2016 FC 1109 at para 12]. Evidentiary overkill is not required [*Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at paras 9-10]. To maintain a registration, an owner need only establish use on a prima facie basis [*Sport Maska Inc v Bauer Hockey Corp*, 2016 FCA 44 at para 55].

[8] Where the owner has not shown use within the meaning of section 4 of the Act, the registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[9] In response to the Registrar's notice, the Owner furnished an affidavit of Sean Mudge, the Owner's General Counsel, sworn in Edmonton, on September 11, 2023, to which were attached Exhibits A through L.

[10] Only the Requesting Party submitted written representations. No oral hearing was held.

REASONS FOR DECISION

[11] Mr. Mudge clearly states that the Mark has not been used in Canada during the relevant period. In this regard, he indicates that "[f]or reasons beyond the control of the [Owner], the grand opening [of the Owner's winery], and thus the use of the Trademark, has been delayed until the spring of 2025" [para 16].

[12] Mr. Mudge states that these reasons are delays in construction of the winery due to the Covid-19 pandemic [paras 21-29], as well as the illness and death of the Owner's lead winemaker in 2021 [paras 30-34].

[13] With regard to the Mark specifically, Mr. Mudge explains that it was "selected to be the name of a series of limited wines that would showcase the "one-off" wines" [para 15], which were to be "made available for sale upon the Grand Opening of the winery" [para 20].

[14] In this regard, Mr. Mudge states that "certain wines have been set aside since 2017 and designated as part of the DITCHDIGGER special limited release series of wines", including wines bottled in 2016, 2017, 2022 and 2023 [para 35]. He adds that "[c]ertain wines will continue to be set aside in the future as annual DITCHDIGGER series releases. Again, these will be special limited series runs sold exclusively at the winery" [para 37].

[15] As Mr. Mudge concedes that the Mark was not used during the relevant period, the issue is whether the Owner has established special circumstances

that excuse this absence of use, an exception to the rule that non-use is penalized by expungement [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129 at para 22].

[16] To determine whether special circumstances have been established, the Registrar must determine first, in light of the evidence, why in fact the trademark was not used during the relevant period and, second, whether these reasons constitute special circumstances [per *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. The circumstances must be “unusual, uncommon, or exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD) at para 29].

[17] If the Registrar determines that the reasons for non-use do in fact constitute special circumstances, the Registrar must still decide whether such special circumstances excuse the period of non-use. This involves the consideration of three criteria: (i) the length of time during which the trademark has not been in use; (ii) whether the reasons for non-use were beyond the control of the registered owner; and (iii) whether there exists a serious intention to shortly resume use [per *Harris Knitting Mills, supra*]. All three criteria are relevant, but the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper, supra*].

[18] In the present case, the Owner’s evidence is that, during the relevant period, specific wines were already set aside for use in association with the Mark. Moreover, as noted by the Requesting Party, it appears from an article dated December 1, 2020, submitted as part of the Owner’s evidence, that “with O’Rourke Family Vineyards on Commonage Road scheduled to open in 2022, an operating winery was required in short order to make wine from estate grown grapes and serve the public. Chase Wines opened in 2016 on Goldie Road, but was later renamed as O’Rourkes Peak Cellars” [Exhibit B].

[19] It appears from this evidence that the reason the Mark was not used during the relevant period was the Owner's decision to restrict it to a series of limited "one-off" wines made available only upon grand opening of the winery. As argued by the Requesting Party, this constitutes a voluntary business decision within the Owner's control.

[20] It is well established that voluntary business decisions such as in the present case, even if potentially compounded by other factors, are not the sort of uncommon, unusual or exceptional reasons for non-use that constitute special circumstances [see *Harris Knitting, supra*; *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD); 88766 *Canada Inc v Via Motors, Inc*, 2023 TMOB 152; *Kate Henderson v Gestion Montreal Gourmet*, 2022 TMOB 37; *BenefitHub, Inc v Frontline Centre Inc*, 2021 TMOB 233; *Barrette Legal Inc v Maison des Futailles sec*, 2015 TMOB 122 at para 39-41].

[21] In view of all of the foregoing, I am not satisfied that the owner has demonstrated use of the Mark within the meaning of sections 4 and 45(1) of the Act, or special circumstances excusing absence of use.

DISPOSITION

[22] Pursuant to the authority delegated to me under section 63(3) of the Act, and in compliance with the provisions of section 45 of the Act, the registration will be expunged.

Emilie Dubreuil
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Requesting Party: Bereskin & Parr LLP/SENCRL, SRL

For the Registered Owner: Coastal Trademark Services Limited