



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 116
Date of Decision: 2015-06-29

**IN THE MATTER OF A SECTION 45
PROCEEDING requested by Johnston Law
against registration No. TMA611,414 for the
trade-mark GLAMOUR SECRETS in the name of
GS Beauty Group Inc.**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA611,414 for the trade-mark GLAMOUR SECRETS (the Mark), owned by GS Beauty Group Inc.

[2] The Mark is currently registered in association with the following services (the Services):

Operation of a retail store dealing in hair, skin, beauty care and cosmetic products, supplies and accessories.

[3] On May 29, 2013, at the request of Johnston Law (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 to Glamour Secrets Developments Ltd., the registered owner at that time. The notice required the registered owner to provide evidence showing that the Mark was in use in Canada at any time between May 29, 2010 and May 29, 2013, in association with the Services. If the Mark had not been so used, the registered owner was required to

furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[4] The relevant definition of use in the present case is set out in section 4(2) of the Act as follows:

4(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.

[5] It has been well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for clearing the register of “deadwood”. The criteria for establishing use are not demanding and an overabundance of evidence is not necessary. However, sufficient evidence must nevertheless be provided to allow the Registrar to conclude that the trade-mark was used in association with each of the registered services during the relevant period [see *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)]. Furthermore, mere statements of use are insufficient to prove use [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[6] In response to the Registrar’s notice, GS Beauty Group Inc. furnished the affidavit of Joseph Bellotti, sworn November 1, 2013, together with Exhibits A through K.

[7] Both parties filed written representations and were represented at an oral hearing. As a preliminary matter, I note that both parties made reference to facts not in evidence in their representations. As such, these submissions will be disregarded.

[8] For the reasons that follow, I conclude that the registration ought to be maintained.

[9] Before discussing the reasons for my decision, I will begin with a brief summary of the evidence.

The Evidence

[10] In his affidavit, Mr. Bellotti attests that he is the President of GS Beauty Group Inc., the owner of the Mark, and was also the President of its predecessor-in-title, Glamour Secrets Developments Ltd., during the relevant period. He collectively refers to both of these entities as his “Company”. He attests that on August 29, 2013, the Mark was assigned from Glamour Secrets Developments Ltd. to GS Beauty Group Inc., with the assignment being recorded at the Canadian Intellectual Property Office on September 25, 2013. I note that a further request to assign the Mark to Glamour Secrets Pro. Inc. has recently been filed with the Office; this request is still pending before the Registrar and is not at issue in the current proceeding.

[11] Mr. Bellotti attests that his Company licenses the Mark to two corporations: Glamour Secrets Western Ltd. and Glamour Secrets Canada Ltd. Mr. Bellotti refers collectively to these entities as the “Licensees”. He explains that the Licensees are located at the same address as his Company’s business and that he is and has been the President of both of these corporations as well since their incorporation.

[12] Mr. Bellotti states that during the relevant period, his Company licensed the Mark to the Licensees subject to agreements which stipulate that his Company maintains care and control of the nature and quality of all Services provided in association with the Mark. In support, he provides various excerpts from the license agreements. He further attests that as President of the Licensees, he has personal knowledge of use of the Mark in Canada by the Licensees and the sub-licensees.

[13] Mr. Bellotti explains that the Licensees are engaged in the retail beauty supply and salon franchising business, and that during the relevant period, the Licensees offered, sold and administered franchises in retail stores dealing in hair, skin, and beauty care and in cosmetic products, supplies and accessories. He explains that the Licensees conduct substantially the same business but focus on offering franchises in different parts of Canada. He attests that there are currently four such franchises that offer and sell the Services in association with the Mark in Canada, and he collectively refers to these franchisees of both Licensees as the “Franchises”. Three of the Franchises are located in

Alberta, while the fourth is located in New Brunswick. He states that all four of the Franchises offered the Services in association with the Mark during the relevant period.

[14] Mr. Bellotti attests that each franchisee enters into a franchise agreement with one of the Licensees and that under these agreements, his Company, via the Licensee has direct control over the franchisee's business and the character and quality of the Services offered and sold by each Franchise. In support, he provides various excerpts from the franchise agreements. He states that by agreeing to adhere to the terms of the franchise agreement, franchisees are sub-licensed by a Licensee to use the Mark in association with the franchise store.

[15] With respect to use of the Mark by the aforementioned Franchises (sub-licensees) during the relevant period, Mr. Bellotti attests that each of the Franchise locations continuously displayed the Mark on exterior retail store signage and at various locations within each retail store. In support, Mr. Bellotti provides as Exhibit A to his affidavit, a photograph of the exterior of one of the GLAMOUR SECRETS retail stores in Alberta. The Mark clearly appears on the exterior store signage. Mr. Bellotti attests that the other three GLAMOUR SECRETS Franchises have the same exterior store signage and a similar appearance to this particular franchise.

[16] With respect to sales, Mr. Bellotti provides gross annual sales figures earned by the Franchises in Canada during the relevant period concerning the performance of the Services associated with the Mark. Sales revenues for each year during the relevant period range from "in excess of" \$3,000,000 to \$3,500,000. In addition, he attaches as Exhibit B to his affidavit, what he attests are a sampling of sales receipts for sales of hair, skin, beauty care and cosmetic products, supplies and accessories by the GLAMOUR SECRETS retail store Franchises.

[17] Mr. Bellotti attests that the Mark is also used in on-line advertising of the Services to Canadians through his Company's website. He attaches as Exhibit C to his affidavit printouts from his Company's Canadian website displaying the Mark. He states that these webpages are representative of how his Company depicted the Mark in its online advertising during the relevant period.

[18] In addition to its website, Mr. Bellotti attests that his Company's advertising includes print advertising in Canadian magazines circulated in Canada. He states that during the relevant period, his Company spent in excess of \$129,000 on advertising and promoting the Services in association with the Mark in Canada. He provides at Exhibits D to J of his affidavit, a sampling of his Company's advertisements in association with the Mark in a variety of magazines during the relevant period. In respect of each advertisement, he provides the name of the publication wherein the advertisement appeared, the date in which the particular issue featuring the advertisement was circulated, and associated Canadian distribution figures for the respective magazine issues. The Mark clearly appears in each advertisement, which advertises salon services as well as a variety of hair, skin, cosmetics, and beauty care products. The magazine circulation figures range from 141,760 to 780,000 Canadians.

[19] Lastly, Mr. Bellotti attests that from time to time promotions are offered at the GLAMOUR SECRETS retail locations. He attaches at Exhibit K to his affidavit, two such promotions featuring the Mark, that were offered at the Franchises.

Analysis and Reasons for Decision

[20] The Requesting Party submits that the Bellotti affidavit is insufficient and ambiguous in terms of showing evidence of use of the Mark in Canada by the registered owner during the relevant period, in association with the registered services. In this regard, the Requesting Party submits that Mr. Bellotti has put forth a number of unsubstantiated claims in his affidavit, wherein he provides no documentary evidence in support of his statements.

[21] For example, the Requesting Party submits that Mr. Bellotti's claim that he is president of both the registered owner and the Licensees should be disregarded as it has not been supported by documentary evidence such as corporate documents. However, absent evidence to the contrary, I accept Mr. Bellotti's sworn statements at face value [see *Rubicon Corp v Comalog Inc* (1990), 33 CPR (3d) 58 (TMOB)]. Indeed, requiring more than a sworn statement in this regard from Mr. Bellotti would not be in keeping with the summary nature of section 45 proceedings.

[22] At the oral hearing, the Requesting Party additionally challenged the existence of registered owner's predecessor-in-title, Glamour Secrets Developments Ltd., including its right to license the use of the Mark, and how Mr. Bellotti "got hold of the Mark in the first place."

[23] However, I see no reason to question the existence of the registered owner's predecessor-in-title or its right to license the use of the Mark. In any event, I agree with the registered owner that matters pertaining to ownership issues, and other matters concerning the validity of a trade-mark registration, are matters beyond the scope of section 45 proceedings, more properly dealt with by way of application to the Federal Court pursuant to section 57 of the Act [see *United Grain Growers v Lang Michener* (2001), 12 CPR (4th) 89 (FCA); and *Ridout & Maybee LLP v Omega SA* (2005), 43 CPR (4th) 18 (FCA)].

[24] The remaining submissions of the Requesting Party concern: whether a valid license was in place and whether any use shown of the Mark enured to the benefit of the registered owner; whether the services depicted in the evidence equate to the registered services; and a myriad of other alleged deficiencies in the evidence which the Requesting Party submits deems such evidence ambiguous and/or irrelevant. I will deal with each of these submissions in turn.

[25] With respect to licensing, the Requesting Party submits that although Mr. Bellotti makes statements in his affidavit regarding the contents of the license agreement between the registered owner and the Licensees, these statements amount to bald allegations which are not supported by the evidence.

[26] The Requesting Party makes a similar submission with respect to Mr. Bellotti's sworn statements regarding the franchise agreements and sub-licensed use of the Mark by the Franchises during the relevant period. Further to this, the Requesting Party submits that a franchise agreement is not a license agreement, and that there is no reference to the Mark in the terms of the franchise agreement excerpts in the evidence. Moreover, the Requesting Party submits, Mr. Bellotti has not provided evidence that the Licensees have the right to sub-license the use of the Mark.

[27] The registered owner on the other hand, submits that it is not necessary to produce a formal license agreement and that such an agreement need not even be in writing. To begin with, the registered owner submits that this is not a situation in which the registered owner and the Licensees are merely related companies; Mr. Bellotti has provided a sworn statement regarding licensing and control sufficient for the purposes of this proceeding [citing as support *Sim & McBurney v LeSage Inc* (1966), 67 CPR (3d) 571 (TMOB)]. I agree and would add that a valid license can be inferred from the facts as Mr. Bellotti also clearly attests to common control through his positions as the president of the registered owner, its predecessor-in-title, and the Licensees [see *Petro-Canada v 2946661 Canada Inc* (1999), 83 CPR (3d) 129 (FCTD); and *Lindy v Canada (Registrar of Trade Marks)* 1999 CarswellNat 652 (FCA)].

[28] With respect to the sub-licensing and use of the Mark by the Franchises, the registered owner submits that the excerpts from the license agreement provided by Mr. Bellotti (para. 7(c)), clearly state that the registered owner “has the exclusive right to use or grant rights to use the Trademark in Canada”. The registered owner submits, and I accept, that this includes the right to grant rights to a sub-licensee, particularly in view of multiple further references to sub-licensees throughout the excerpted provisions of the license agreement. Further to this, the registered owner submits that under the franchise agreement, provisions of which are included in Mr. Bellotti’s affidavit at paragraph 13, his Company via the licensee has control over the use of the Mark in association with the Services.

[29] While it is true that the excerpts from the franchise agreement provided by Mr. Bellotti do not include specific reference to the Mark, I note that at paragraph 14 of his affidavit, he clearly states that “by agreeing to adhere to the terms of the franchise agreement, franchisees are sub-licensed by a Licensee to use the GLAMOUR SECRETS Trademark in association with the franchise store.” I find this sworn statement in combination with the evidence as a whole, including the excerpts from the license and franchise agreements, sufficient for the purposes of section 45 to satisfy the requirements of subsection 50(1) of the Act [see *Cassels, Brock & Blackwell LLP v Tucumcari Aero, Inc* (2010), 81 CPR (4th) 372; *Federated Department Stores, Inc v John Forsyth Co*

(2001), 10 CPR (4th) 571; *Gowling, Strathy & Henderson v. Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB); and *Mantha & Associates v Central Transport Inc* (1995), 64 CPR (3d) 354 (FCA) regarding statements of fact]. Consequently, I accept that any use of the Mark shown by the Franchises (sub-licensees) enures to the benefit of the registered owner.

[30] The Requesting Party makes further submissions with respect to whether the evidence shows use of the Mark by the registered owner, submitting that other trade-marks which appear on the advertisements in evidence confound who is actually advertising and performing the Services. For example, the Requesting Party identifies Trade Secrets Hair Care Products and Fashion Accessories Inc. as the owner of registered trade-mark TMA628,750 for the trade-mark TRADE SECRETS & Design, which it submits is prominently displayed on the advertisement in Exhibit D. Furthermore, the Requesting Party submits that absent public notice regarding licensing with respect to these marks, the advertisements are ambiguous, in that it appears to be third party use of the Mark.

[31] The Requesting Party also submits that none of the Exhibit B sales receipts originate from the registered owner, refer to the registered owner as the owner of the Mark, or provide any indication of licensed use of the Mark. Therefore, the Requesting Party submits, the receipts cannot be relied upon to show use of the Mark by the registered owner.

[32] With respect to the advertisements, the registered owner submits, and I agree, that the Requesting Party is precluded from introducing evidence as to the ownership of alleged third party trade-marks in this proceeding [per *Fairweather Ltd v Canada (Registrar of Trade-marks)* (2006), 58 CPR (4th) 50 (FC); aff'd (2007), 62 CPR (4th) 266]. Once again however, it appears that the Requesting Party is raising questions concerning ownership of the Mark, and as already noted, section 45 proceedings are not intended provided an alternative to the usual *inter partes* attack on a trade-mark [*United Grain Growers, supra*]. Further to this, the registered owner submits, and I agree, that

the use of multiple marks is permitted on the same products or services [*AW Allen Ltd v Canada (Registrar of Trade Marks)* (1985), 6 CPR (3d) 270 (FCTD)].

[33] With respect to the sales receipts, the registered owner submits, and I agree that there is no requirement that the registered owner's name appear on the receipts, nor is public notice required under section 50(2) of the Act for use of a trade-mark by a licensee to be deemed use of the mark by its owner. In any event, the registered owner correctly asserts, the receipts marked with the Mark were issued by entities licensed to use the Mark in Canada and this has been deemed to be use by the registered owner in the present case pursuant to section 50(1) of the Act.

[34] In addition to the aforementioned, the Requesting Party makes numerous submissions regarding a myriad of other alleged deficiencies in the evidence. In particular, the Requesting Party submits that the advertisements in the exhibits are either undated or dated outside of the relevant period. Further to this, the Requesting Party submits that the aforementioned advertisements appear to be advertising proofs or "mock-ups" as opposed to actual published advertisements and consequently fail to indicate the particulars of the date, publisher, page references and other relevant publication details. As such, the Requesting Party submits, Exhibits D through K should be disregarded.

[35] However, it should be remembered that exhibits must be read in conjunction with the information provided in the affidavit as a whole, not as stand-alone documents. Indeed, it is the evidence as a whole that must be considered, including statements of fact [see *Mantha & Associes/Associates v Central Transport, Inc* (1995), 64 CPR (3d) 354 (FCA)]. In the present case, Mr. Bellotti has provided the names of the publications, publication dates, and circulation figures. Furthermore, while it is true that three of the advertisements circulated after the relevant period, four such advertisements clearly appeared in magazines circulated during the relevant period.

[36] Lastly, the Requesting Party submits that the services shown in the evidence are not the registered services. In this regard, the Requesting Party submits that the photograph of the exterior of the GLAMOUR SECRETS store in Exhibit A is undated

and does not show the appearance of the interior of the store. The Requesting Party submits that what is shown is a hair salon, and that these are not the registered services. Further to this, the Requesting Party submits that it is ambiguous from the sales receipts as well as the advertisements, whether the services being offered, performed, or advertised, are the registered services, as the services instead appear to be that of salon services.

[37] Once again however, I note that the exhibits must be read together with the information provided in the affidavit, and it is the evidence as a whole that must be considered. The advertisements clearly advertise a variety of hair, skin, beauty care and cosmetic products. Furthermore, while it does appear from the advertisements that salon services are also provided, this does not preclude the advertisement and provision of the registered services simultaneously in association with the Mark. Mr. Bellotti provides sworn statements with respect to the performance of the registered services in association with the Mark, including sales figures. I note further from the sales receipts, consistent with the registered services, that the return policy noted on the sales receipts provides for terms of sale and merchandise exchange for products such as appliances, jewelry, hair care and cosmetics products. Consequently, I accept that use of the Mark has been shown pursuant to section 4(2) of the Act in association with the Services.

Disposition

[38] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, registration No. TMA611,414 will be maintained in compliance with the provisions of section 45 of the Act.

Kathryn Barnett
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office