

SECTION 45 PROCEEDINGS
TRADE-MARK: VIRTUAL REALITY & DESIGN
REGISTRATION NO.: TMA495,058

[1] At the request of Eva Gabor International, Ltd. (the “requesting party”), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the “Act”) on July 10, 2007 to 1459243 Ontario Inc., the registered owner of the above-referenced trade-mark (the “registrant”).



[2] The trade-mark VIRTUAL REALITY & DESIGN (shown above) is registered for use in association with the following wares and services:

Wares:

(1) Men's and women's hairpieces and wigs.

Services:

(1) Hair grafting and hair transplanting.

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares or services 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 between July 10, 2004 and July 10, 2007 (the “relevant period”).

[4] “Use” in association with wares and services is set out in section 4 of the Act:

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.

(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.

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

In this case, sections 4(1) and 4(2) apply.

[5] In response to the Registrar’s notice, the registrant furnished the affidavit of Leslie Martin, sworn on April 7, 2008, together with Exhibits “A” through “D”. Mr. Martin states that he is the President of the registrant and that he has held that position since its incorporation in 2001. Both parties filed written submissions and were represented at the oral hearing.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)]. Although the threshold for establishing use in section 45 proceedings is quite low [*Woods Canada Ltd. v. Lang Michener* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.) at 480], and evidentiary overkill is not required, sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the wares/services specified in the registration during the relevant period. In addition, the entire burden is with the registrant [*88766 Inc. v. George Weston Ltd.* (1987), 15 C.P.R. (3d) 260 (F.C.T.D.)] and any ambiguities in the evidence

are to be interpreted against the registrant [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* supra].

[7] At the outset of the decision, I note that the evidence is completely silent with respect to services specified in the registration as “hair grafting and hair transplanting”. Since no evidence of use has been provided with respect to these services and no special circumstances have been advanced to excuse non-use, the services ought to be deleted from the registration.

Sales in the Normal Course of Trade

[8] With respect to the normal course of trade, Mr. Martin explains that through its First Lady Coiffures division, the registrant distributes men’s hairpieces to hair replacement shops, barbershops and salons across Canada (collectively “customers”). Using the information found in the promotional flyers, customers place their orders with the registrant who then ships the products to them.

[9] Mr. Martin provides copies of invoices sent with shipments of men’s hairpieces during and after the relevant period as Exhibit “C”. It is noted that the sample invoices issued during the relevant period do not make reference to the subject trade-mark; they do however include the heading “First Lady Coiffures – A Division of 1459243 Ontario Inc.”, as well as Canadian billing and shipping addresses. In addition, photocopies of sales reports showing sales of VIRTUAL REALITY men’s hairpieces during the relevant period are attached as Exhibit “D”. I note that the model numbers beginning with “MSXTS-” used to identify men’s hairpieces in the sales reports also appear in the sample invoices next to items listed as “Mens (sic) Hairpiece”. In view of the evidence, I am satisfied that there were sales of men’s hairpieces by the registrant in the normal course of trade in Canada within the relevant period.

[10] I observe with respect to the sample invoices, that even though Mr. Martin indicates that “all invoices *now* reference both the model identifier and the trade-mark

VIRTUAL REALITY in respect of the men's hairpieces" [my emphasis], the trade-mark does not appear on any of the invoices issued during the relevant period. As for the sales reports, while they corroborate Mr. Martin's statement that the men's hairpieces were sold during the relevant period in Canada, they cannot be considered as evidence of the manner in which the trade-mark was associated with the wares since these documents did not accompany the wares at the time of transfer.

Use of the Trade-mark during the Relevant Period

[11] With respect to the use of the trade-mark in association with the wares, the affiant states in paragraph 4 that "through its First Lady Coiffures division, [the registrant] has used the trade-mark VIRTUAL REALITY & DESIGN in Canada in connection with men's hairpieces during the [relevant period]". In paragraphs 5 and 6, Mr. Martin describes three instances where the trade-mark is associated with the men's hairpieces:

5. Although 1459423 Ontario Inc.'s trade-mark VIRTUAL REALITY & DESIGN does not appear directly on the men's hairpieces in view of the specialized nature of the products, it does appear on promotional flyers which are distributed by 1459423 Ontario Inc., through its First Lady Coiffures division, to its customers. The promotional flyers are delivered in person by a sales manager during customer visits and by mail. They are also frequently included with customer orders at the time of shipping. 1459423 Ontario Inc.'s customers then use these promotional flyers to place orders for 1459423 Ontario Inc.'s products marketed under the trade-mark VIRTUAL REALITY & DESIGN. [My Underlining]

6. Now shown to me and marked as Exhibit "B" to this my affidavit are photocopies of representative samples of the types of promotional flyers 1459423 Ontario Inc., through its First Lady Coiffures division, distributed to its customers in the normal course of trade of its business to hair replacement shops, barbershops and salons, during the Relevant Period.

[12] It is well established that evidence of advertising is generally not sufficient as evidence of use for wares. In *BMW Canada Inc. v. Nissan Canada Inc.* (2007), 60 C.P.R. (4th) 181 (F.C.A.), the Federal Court of Appeal stated the following:

For the use of a mark in advertisement and promotional material to be sufficiently associated with a ware to constitute use, the

advertisements and promotional material would have to be given at the time of transfer of the property in or possession of the wares: see *Clairol International Corp. v. Thomas Supply & Equipment Co.* (1968), 55 C.P.R. 176 (Can. Ex. Ct.) at 190, and *General Mills Canada Ltd. v. Procter & Gamble Inc.* (1985), 6 C.P.R. (3d) 551 (T.M.O.B.).

[13] See also *Timothy's Coffee of the World Inc. v. Starbucks Corp.* (1997), 79 C.P.R. (3d) 147 (T.M.O.B.) where Member Cooke reasoned as follows:

[M]ail order catalogues and similar order forms which show a trade-mark may be considered use of that mark when used in combination with other materials that show the trade-mark to the consumer at the time the wares are transferred, such as invoices. In this way, the mark is brought to the attention of the purchaser at the time the order is made, and at the time that the wares are received, satisfying the criterion in Section 4(1).

[14] Thus, in the present case, the fact that promotional flyers bearing the trade-mark are sent by mail or that they are given to customers during visits made by sales managers cannot serve as evidence of use in association with wares. In other words, for there to be use within the meaning of s. 4(1) of the Act, the registrant has to show that the promotional flyers bearing the trade-mark actually accompany the men's hairpieces at the time of transfer in the normal course of trade. Among the three methods of distributing promotional flyers described by Mr. Martin, the only time that the flyers could arguably be considered as use of the trade-mark in association with men's hairpieces is when they "are frequently included with customer orders at the time of shipping".

[15] In this regard, the requesting party submitted that since paragraph 5(above) of Mr. Martin's affidavit is drafted in the present tense, it cannot purport to reflect the manner in which the trade-mark was used during the relevant period. On the other hand, the registrant argued that Mr. Martin clearly stated in the previous paragraph of the affidavit that the trade-mark was used in association with men's hairpieces during the relevant period and that the statements in paragraph 5 "simply [...] describe, albeit in the present tense, how the trade-mark is used". For that reason, the registrant contended that there is

no ambiguity as to whether the subject trade-mark was in use in association with the registrant's wares during the relevant period.

[16] Whether a subject trade-mark was used during the relevant period within the meaning of sections 4 and 45 of the Act is a determination that is to be made by the Registrar based on the statements of facts and the supporting evidence provided by the registrant. In the present case, I find the registrant's evidence ambiguous on this point. Even though the affiant attests to the fact that *during the relevant period*, promotional flyers were given to customers, there is no clear evidence that the specific practice of including these flyers with customer orders was actually in effect at that time. In fact, when the evidence is considered as a whole, there is no indication that such practice had even commenced prior to the issuance of the Section 45 Notice. At the most, the evidence suggests that such practice was in place at the time of the affidavit.

[17] In my view, it would have been a simple matter for the affiant to clearly indicate whether the practice of inserting flyers into customer orders took place during the relevant period in the normal course of trade. Instead, all that I am able to conclude from Mr. Martin's statement is that such practice was in effect when the affidavit was drafted. Without additional evidence, I am unable to accept the affiant's statement as representative of the registrant's practice in the normal course of trade during the relevant period nor can I infer that such practice even took place during that time period. Consequently, I am not satisfied that the promotional flyers accompanied the wares sold in the normal course of trade *during the relevant period*.

[18] In view of the above, I conclude that the registrant failed to show use of the trade-mark in association with men's hairpieces during the relevant period.

[19] As for the remaining registered wares "men's wigs" and "women's hairpieces and wigs", citing *Saks & Co. v. Registrar of Trade-marks et al.* (1989), 24 C.P.R. (3d) 49 (F.C.T.D.), the registrant contended in its written arguments that since the wares in the registration have been logically and properly categorized, there is no requirement for the

registrant to provide either direct evidence or documentation regarding “every item in each category”. Having decided that the registrant failed to provide evidence with respect to the manner in which the trade-mark was associated with men’s hairpieces during the relevant period, there is no need to address the relevance of those principles in the present case.

[20] In view of the foregoing, the registrant failed to show use of the subject trade-mark within the meaning of sections 4 and 45 of the Act in association with the wares and the services during the relevant period. Accordingly, and pursuant to the authority delegated to me under section 63(3) of the Act, registration TMA495,058 for the trade-mark VIRTUAL REALITY & DESIGN ought to be expunged from the Register in compliance with the provisions of section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

DATED AT MONTREAL, QUEBEC THIS 26TH DAY OF MARCH 2010.

P. Fung
Hearing Officer
Trade-marks Opposition Board