



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

Citation: 2015 TMOB 111
Date of Decision: 2015-06-18

**IN THE MATTER OF A SECTION 45
PROCEEDING requested by McMillan LLP
against registration No. TMA339,381 for the
trade-mark LA CACHE in the name of April
Cornell Holdings, Ltd.**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA339,381 for the trade-mark LA CACHE (the Mark), owned by April Cornell Holdings, Ltd.

[2] The trade-mark is registered for use in association with the following goods:

Ladies' and men's apparel (except underwear): shoes and boots, sandals, slippers, stockings and leggings, pants, slacks, jumpsuits, jumpers, sleepers, pajamas, nightgowns, shorts, overalls, jackets, coats and overcoats, ponchoes, dresses, skirts, blouses, shirts, sweaters, pullovers and cardigans, hats, scarves, gloves, mittens; bed and table linens: sheets, pillowcases, blankets, cushions, duvet covers, cushion covers, placemats, napkins, tablecloths; jewelery: rings, bracelets, necklaces, pins, armbands, headbands, brooches, earrings; dishware: cups, saucers, plates, glasses, serving trays, crystal, crystalware; home furnishings: baskets, lamps, furniture, carpets; gifts and objets d'art: paintings, note pads, posters, napkin holders, wrapping paper, greeting cards.

[3] On April 16, 2013, at the request of McMillan LLP (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 April Cornell Holdings, Ltd. (the Owner). The notice required the Owner to provide evidence showing that the Mark was in use in Canada at any time between April 16, 2010 and April 16, 2013, in association with each of the registered goods. If the Mark had not been so used, the 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 association with goods is set out in section 4(1) of the Act:

4(1) A trade-mark 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.

[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 goods 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, the Owner furnished the affidavit of Ms. April Cornell, sworn November 15, 2013, together with Exhibits A through C. Both parties filed written representations; an oral hearing was not held.

[7] The Requesting Party’s representations focus on two main submissions as follows:

- i) The evidence shows that the Owner was not the entity “using” the Mark and fails to demonstrate that the Owner exercised any control over the use of the Mark during the relevant period; and
- ii) There is no evidence to show how the Mark was associated with each of the registered goods during the relevant period.

[8] For the reasons that follow, I conclude that the registration ought to be maintained, but only with respect to a limited number of the registered goods.

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

The Evidence

[10] In her affidavit, Ms. Cornell states that she is the President of the Owner, a company whose principal office is located in Burlington, Vermont, United States. She attests that she has been an officer of the Owner since 1992. Ms. Cornell states that she is also the President of April Cornell Ltd., whose principal office is in Westmount, Québec, Canada, and that she has been an officer of that company since 1975.

[11] Ms. Cornell explains that the registered goods are “generally” manufactured in India by Cornell Overseas Pvt Ltd., a company which is also part of the April Cornell group of companies. She further explains that the goods are then shipped to Canada to be sold in LA CACHE retail stores which are operated by April Cornell Ltd. Ms. Cornell asserts that these goods are sold in association with the Mark by under a license from the Owner, which she attests has control over the use of the Mark as well as the quality and character of the goods associated with the Mark.

[12] With respect to the manner of association during the relevant period, Ms. Cornell attests that the Mark appeared on various in-store displays and signs on shelves, racks, tables and counters in close proximity to the goods being offered for sale on these shelves, racks, tables and counters at the retail stores.

[13] With respect to sales of the registered goods during the relevant period, Ms. Cornell attests that the approximate total amount of sales through the retail stores was more than \$1,200,000.

[14] In support of her assertion of use, Ms. Cornell provides the following exhibits to her affidavit:

- Exhibit A consists of photographs of in-store displays and store signage from two of the retail stores, being the LA CACHE Flagship Store in Westmount, Québec and the store in Hudson, Québec. Ms. Cornell attests that these photographs are representative examples of how the Mark is used and was used during the relevant period in association with the goods in the normal course of trade.
- Exhibit B consists of copies of several representative sales receipts for sales of goods during the relevant period at the Westmount and Hudson LA CACHE retail stores. The Mark appears at the top of the receipts. While the receipts refer to Cornell Trading Ltd., Ms. Cornell attests that this company was amalgamated into April Cornell Ltd. in 2009. She explains that the computer system of the Westmount retail store has not been updated to reflect this change yet.

[15] Lastly, Ms. Cornell provides as Exhibit C to her affidavit, a webpage printout from the Corporations Canada website with the federal corporation information for Cornell Trading Ltd. The information indicates that this company was amalgamated into April Cornell Ltd. in 2009.

Analysis

[16] As previously indicated, the Requesting Party submits that the Owner was not the entity “using” the Mark and did not exercise any control over the use of the Mark. To begin with and in particular, the Requesting Party submits that the sales receipts in Exhibit B fail to identify the source of the goods sold since the receipts refer to “either a company that did not exist during the relevant period or to an entity that simply never existed.” In this regard, the Requesting Party submits that the sales receipts from the

Westmount retail store refer to Cornell Trading Ltd., a company which has been inactive since 2009, and the sales receipts from the Hudson retail store refer to “Boutique La Cache” and not the Owner or an authorized licensee.

[17] However, as noted above with respect to the Westmount retail store, Ms. Cornell has provided a sworn statement to explain the appearance of Cornell Trading Ltd. on the sales receipts. Ms. Cornell has also provided documentary evidence to show that Cornell Trading Ltd. amalgamated into April Cornell Ltd. in 2009. Moreover, Ms. Cornell has further provided a sworn statement that the retail stores are operated by April Cornell Ltd., a licensed user of the Mark. With respect to the Hudson retail store sales receipts, I am of the view that consumers would simply understand “Boutique La Cache” to be a reference to the name of the store.

[18] The Requesting Party also submits that any use shown in relation to the goods during the relevant period appears, at best, to be by April Cornell Ltd., without any control from the Owner. The Requesting Party submits that despite the fact that Ms. Cornell is the president of both the Owner and April Cornell Ltd., a corporate relationship alone is not enough to establish a license [citing *Cheung Kong Holdings Ltd v Living Realty Inc* (1999), 4 CPR (4th) 71 (FC)].

[19] It is true that a corporate relationship alone would be insufficient to establish a valid license under section 50(1) of the Act. However, I agree with the Owner that Ms. Cornell’s sworn statement in paragraph 5 of her affidavit regarding the license and control is sufficient for the purposes of section 50 of the Act [see *Gowlings, Strathy & Henderson v Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB); *Central Transport, Inc v Mantha & Associates* (1995), 64 CPR (3d) 354 (FCA); and *Federated Department Stores, Inc v John Forsyth Co* (2000), 10 CPR (4th) 571 (TMOB)]. I would add that in the present case, control over the use of the Mark under licensee is further supported by the fact that Ms. Cornell is president of both the Owner and its licensee, April Cornell Ltd. [see *Lindy v Canada (Registrar of Trade Marks)* (1999), 241 NR 362 (FCA); and *Petro-Canada v 2946661 Canada Inc* (1999), 83 CPR (3d) 129 at 138 (FCTD)].

[20] Now moving to the Requesting Party's contention that the Mark was not associated with each of the registered goods during the relevant period, the Requesting Party's submissions in this respect are two-fold. First, the Requesting Party submits that the exterior store signage as well as the in-store displays featuring the Mark does not constitute use in relation to any goods; rather, at best, such display constitutes use of the Mark in association with retail store services.

[21] In its written representations, the Owner does not challenge the Requesting Party's submission on this point with respect to the exterior store signage, and I would agree that such exterior store signage constitutes display and use of the Mark in association with retail store services only.

[22] However, the Owner submits that use of a trade-mark on in-store displays within close proximity to goods is considered use within the scope of section 4(1) of the Act, "providing that it would be such as to bring the trade-mark to the attention of consumers as of the time of the transfer or possession of the goods to the consumer" [citing as support *Riches, McKenzie & Herbert LLP v Parissa Laboratories Inc* (2006), 59 CPR (4th) 219 at paras 14-15 (TMOB)].

[23] Applied to the present case, the Owner submits that given the prominent and numerous in-store displays featuring the Mark in close proximity to the goods at the time of the transfer of possession or property, a consumer could not help but receive notice of the association between the Mark and the goods.

[24] It is true that the display of a trade-mark on signage in close proximity to goods at the time of transfer of possession or property of those goods *may* satisfy the requirements of section 4(1) of the Act. See for example the use of shelf talkers, counter cards, and other in-store displays in the following cases: *Loblaws Ltd v Richmond Breweries Ltd* (1983), 73 CPR (2d) 258 (TMOB); *General Mills Canada Ltd v Procter & Gamble Inc* (1985), 6 CPR (3d) 551 (TMOB); *Canadian Council of Professional Engineers v Randolph Engineering Inc* (2001), 19 CPR (4th) 259 at 262 (TMOB); *Lafco Enterprises Inc v Canadian Home Publishers*, 2013 TMOB 44; *Fogler, Rubinoff LLP v Blistex Inc*, 2014 TMOB 181. However, each case must be considered on its own merits and when

considering if notice of association is given “in any other manner”, the context is important. For example, whether or not other trade-marks are present and most notably the presence of trade-marks of other traders are factors to consider [see for example *Clark, Wilson v Myriad Innovative Designs Inc*, 2001 CanLII 37728 (TMOB); and *Batteries Plus, LLC v La Source (Bell) Electronics Inc*, 2012 TMOB 202]. In other words, it is not necessarily determinative that a trade-mark is displayed on signage in close proximity to goods. In the case of the sale of third party goods, in fact, it is likely irrelevant.

[25] In the present case, Ms. Cornell attests that the goods sold in the LA CACHE retail stores are *generally* manufactured on behalf of the Owner in India. I find this statement somewhat ambiguous, as it is unclear whether the LA CACHE retail stores also carry third party goods.

[26] Nevertheless, as shown in the Exhibit B photographs, the Mark appears on in-store signage in close proximity to a number of goods. For example, a counter card featuring the Mark appears atop a glass display case which contains a broad assortment of jewelry. In addition, the Mark is displayed in frames and on counter cards throughout the stores on wall shelves, a table top and atop two wardrobe display units which feature a variety of items. It is not clear however from the photograph depicting the wardrobe displays units, which of the registered goods are displayed proximal to the counter cards. In addition, while the wall shelves display purses and assorted bags, these items are not listed in the registration. Furthermore, for the remaining items featured on the wall shelves, once again, it is unclear from the photographs as to what these items are in relation to the registered goods. With respect to the table top display, I am able to identify table linens, glassware, candles and candle holders. Of the registered goods, I accept that these items would encompass “table linens: [...], placemats, napkins, tablecloths”, and “dishware: [...] plates, glasses, [...]”. No other trade-marks appear in the photographs in conjunction with these specific goods, with the exception of a hang tag which includes a design element and the name April Cornell. As such, I accept that these goods appear to be the goods of the Owner. Having regard to the aforementioned, I accept that notice of association of the Mark has been given with respect to the following

registered goods only: table linens: placemats, napkins, tablecloths; jewelery: rings, bracelets, necklaces, pins, armbands, headbands, brooches, earrings; dishware: plates, glasses.

[27] With respect to the remaining registered goods however, the Mark is either not displayed in close proximity to these goods, such that notice of association of the Mark to these goods would then be given to the consumer, or it is unclear from the photographs what the goods are in relation to the registered goods. Furthermore, many of the goods in the photographs appear to have labels or hang tags, which although not clear, may bear other trade-marks. Indeed in one instance, a table displaying a selection of pants includes a sale sign that appears to refer to “JAG Jeans”. Thus, coupled with the lack of precise statements in Ms. Cornell’s affidavit, it is not possible to determine whether any of the remaining goods are LA CACHE goods or goods of others bearing third party trade-marks. As such, I find the evidence with respect to the use of the Mark on the in-store displays concerning the remaining registered goods to be ambiguous, and cannot conclude that notice of association of the Mark pursuant to section 4(1) would have been given to consumers in respect of these goods [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[28] The Requesting Party’s second submission with respect to its contention that the Mark was not associated with *each* of the registered goods during the relevant period concerns the Exhibit B sales receipts. In this regard, the Requesting Party submits that the sales receipts only identify blouses and potholders as items sold during the relevant period. Further to this, the Requesting Party submits that while some receipts list the broad “jewelry” general category, the receipts fail to identify the specific items of jewelry sold. As use of the Mark must be shown in association with each of the registered goods, the Requesting Party submits that the sales receipts do not support a conclusion of use of the Mark in association with any of the registered goods except for, at best, ladies’ blouses and potholders.

[29] The Owner, on the other hand, takes the position that although the in-store displays and sales receipts do not provide direct evidence of sales by the Owner of all of

the registered goods, the evidence is nevertheless sufficient to preserve the registration with regard to all of the goods, as they fall within the same “general categories” (relying on *Saks & Co v Canada (Registrar of Trade Marks)* (1989) 24 C.P.R. (3d) 49 (FCTD)]. Moreover, the Owner relies on the sales receipts as evidence of notice of association of the Mark with the goods at the time of transfer or possession of such goods. I will begin by addressing this latter submission first.

[30] The Owner submits that the Mark is displayed at the top of the sales receipts in large font and in a stylized form with design elements that are different from the surrounding text, making it prominent and distinguished from other matter on the receipts. Further to this, the Owner submits that the Mark is not used as a company name, as the company name and address are identified in a different font and size below the words “LA CACHE”. I agree with all of these submissions.

[31] The Owner submits that a customer receiving the sales receipt would clearly understand that “LA CACHE” is a trade-mark associated with the goods just purchased, especially considering that it is prominently displayed on various in-store displays and signs on shelves, etc. in close proximity with the goods being offered for sale.

[32] In this respect, the Owner relies on *Hortilux Schreder BV v Iwasaki Electric Co*, 2011 FC 967 at paras 60-64, aff’d 2012 FCA 321, which discusses the relevant factors to consider in evaluating whether a trade-mark displayed at the top of an invoice (or analogously by sales receipts as in the present case) constitutes use for the purposes of section 4(1) of the Act. Such factors include, as correctly identified by the Owner, the prominence of the trade-mark on the sales receipt and whether the trade-mark stands apart from corporate information.

[33] However, other factors to consider as outlined in *Hortilux* are whether it is clear that the goods of only one manufacturer are being sold and whether other trade-marks appear on the receipts (whether in the body or otherwise). In the present case, as noted above, it is unclear whether third party goods are also being sold at the LA CACHE retail stores, and this ambiguity is further confounded by the descriptions of goods on the sales receipts, such as “*Guinevere Ladies Blouse*”, “*Blake Ladies Top*”, and “*Blossom Little*

Girls Dress”. Consequently, in light of these ambiguities, I am of the view that consumers would be more apt to perceive reference to LA CACHE on the sales receipts as a reference to the name of the store. Thus, such use would constitute use of the Mark pursuant to section 4(2) of the Act with retail store services, rather than providing the requisite notice of association of the Mark with any particular goods pursuant to section 4(1) of the Act.

[34] The sales receipts however, provide corroborative evidence that sales in the normal course of trade of goods associated with the Mark through the in-store displays were made during the relevant period. In this regard, I do not agree with the Requesting Party that it was incumbent on the Owner to provide sales receipts for each of the registered goods. The sales receipts are clearly representative, particularly in view of the significant sales figures attested to by Ms. Cornell. Furthermore, I am prepared to infer, given the substantial sales revenues from the two LA CACHE retail stores, that at least a portion of those sales would be attributable to those goods associated with the Mark through the in-store displays. Indeed, I note there is no particular type of evidence, including invoices or sales receipts as the case may be, that is required in response to a section 45 notice [see *Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FC)].

[35] However, contrary to the Owner’s position, I do not consider that the evidence is sufficient to preserve the registration of the Mark with regard to all of the registered goods. To begin with, I do not find, as in *Saks, supra*, that representative examples of use of the Mark have been provided in the evidence with respect to each category of goods in the registration. Moreover, nowhere in the affidavit does Ms. Cornell provide a clear statement of use within the relevant period in association with *each* of the goods nor are sufficient facts provided to permit the Registrar to conclude that the Mark was in use in association with *each* good.

Disposition

[36] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, registration No. TMA339,381 will be amended in compliance with the provisions of section 45 of the Act to delete the following goods:

Ladies' and men's apparel (except underwear): shoes and boots, sandals, slippers, stockings and leggings, pants, slacks, jumpsuits, jumpers, sleepers, pajamas, nightgowns, shorts, overalls, jackets, coats and overcoats, ponchoes, dresses, skirts, blouses, shirts, sweaters, pullovers and cardigans, hats, scarves, gloves, mittens; bed [...] linens: sheets, pillowcases, blankets, cushions, duvet covers, cushion covers; [...]: cups, saucers, serving trays, crystal, crystalware; home furnishings: baskets, lamps, furniture, carpets; gifts and objets d'art: paintings, note pads, posters, napkin holders, wrapping paper, greeting cards.

[37] The amended statement of goods will read as follows:

table linens: placemats, napkins, tablecloths; jewelery: rings, bracelets, necklaces, pins, armbands, headbands, brooches, earrings; dishware: plates, glasses.

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