LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2011 TMOB 130
Date of Decision: 2011-07-21

IN THE MATTER OF A SECTION 45 PROCEEDING requested by McMillan LLP against registration No. TMA566,299 for the trade-mark LAKAI in the name of Lakai, Ltd.

[1] On June 8, 2009, at the request of McMillan LLP (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) to Lakai, Ltd., the registered owner (the Registrant) of registration No. TMA566,299 for the trade-mark LAKAI (the Mark).

[2] The Mark is registered in association with the following wares:

(a) Tote bags, backpacks and luggage.

(b) Apparel, namely, shirts, t-shirts, shimmels, pants, jeans, shorts, knickers, trunks, swimtrunks, briefs, boxers, underwear.

(c) Footwear, namely, shoes, boots, sandals.

(d) Snow board boots.

(e) Headwear, namely, caps, hats, visors, headbands.

[3] Section 45 of the *Trade-marks Act* requires the registered owner of the trade-mark to show, with respect to each of the wares and/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 the notice and, if not, the date when it was last in use and the reason for the absence

of use since that date. In this case, the relevant period for showing use is any time between June 8, 2006 and June 8, 2009.

[4] "Use" in association with wares is set out in subsections 4(1) and 4(3) of the *Trade-marks 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.
>
> [**…**]
>
> (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, s. 4(1) applies.

[5] It is well established that the purpose and scope of s. 45 of the Act is to provide a simple, summary and expeditious procedure for removing deadwood from the register. It was established in *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.) that assertions of use as a matter of law are insufficient to demonstrate use. A recipient of a s. 45 notice must put forward evidence showing how it has used the trade-mark in order that the Registrar may assess if the facts qualify as use of the trade-mark pursuant to s. 4 of the Act. However, it has also been held that evidentiary overkill is not required when use can be shown in a simple, straightforward fashion [see *Union Electric Supply Co. v. Registrar of Trade Marks* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)].

[6] In response to the Registrar's notice, the Registrant filed the affidavit of Kevin Dunlap, the President of the Registrant, together with Exhibits A to E. Both parties filed written submissions; an oral hearing was not held.

[7] To begin with, I note that Mr. Dunlap qualifies what he means when he says "use" in respect of a trade-mark or "sold in association" with a trade-mark in paragraph 4 of his affidavit. In doing so, he indicates that the Mark is stamped or printed on the product or packaging in which the product is sold, or is stamped or printed on a label or identification badge which is affixed to the product or packaging in which the product is sold. This qualification is consistent with the pictorial evidence (Exhibits "C", "D", and "E") that will be elaborated on below.

[8] In paragraphs 6 and 7 of his affidavit, Mr. Dunlap clearly states that the Registrant has used the Mark in association with the following wares (hereinafter referred to as the LAKAI wares) that were sold in Canada during the relevant period:

- tote bags, backpacks and luggage;
- apparel, namely, shirts, t-shirts, pants, jeans, shorts, trunks, swim trunks, briefs, boxers, underwear;
- footwear, namely, shoes;
- headwear, namely, caps, hats, visors.

[9] The Requesting Party is correct in pointing out that Mr. Dunlap does not attest in paragraphs 6 and 7 of his affidavit, that the Registrant has sold the wares described as "shimmels, knickers, boots, sandals, snowboard boots and headbands" in Canada in association with the Mark during the relevant period. Indeed, upon review of the evidence as a whole, the Registrant has not adduced *any evidence* in this regard. Consequently, these wares will be deleted from the registration for failure to show evidence of use pursuant to s. 4 of the Act. I will now discuss whether the Registrant has met its burden of proof to show use of its Mark in association with the LAKAI wares (as above), pursuant to s. 4 and s. 45 of the Act.

[10] With respect to sales of the LAKAI wares, Mr. Dunlap explains that the Registrant made such sales in Canada through its distributor, and provides a lengthy list of more than 150 retail outlets in Canada to which the LAKAI wares, in turn, were distributed and then sold. As support of the sales attested to, Mr. Dunlap attaches as Exhibit "A", an invoice sales inquiry report, listing invoice data of sales made by the Registrant to its Canadian distributor for the time period of January 1, 2006 to June 15, 2009 (such time period clearly covering the relevant period). The

invoice sales inquiry report lists data from 389 invoices for a sales total of $5,177,604.24 worth of LAKAI wares.

[10] Further to this, Mr. Dunlap provides as Exhibit "B", a representative sampling of 14 invoices showing sales of LAKAI wares to the Registrant's Canadian distributor. I note that the invoice numbers listed on these invoices correspond to invoice numbers listed in the invoice sales inquiry report attached as Exhibit "A"; thus, these invoices represent a small sampling taken from the 389 reported invoices in Exhibit "A". Upon review, the invoices document sales of:

- Footwear, namely, shoes, socks;
- Accessories, namely, belts, wallets;
- Mousepads;
- Backpacks;
- Headwear, namely, caps; and
- Apparel, namely, t-shirts.

[11] I note, and agree with the Requesting Party, that as registration TMA566,299 does not include belts, wallets, mousepads or socks, the sale of these products has no bearing at all on the present s. 45 proceeding. Accordingly, in terms of the registered wares, the representative invoices list sales of "shoes, backpacks, caps, and t-shirts".

[12] The remaining evidence is summarized as follows:

- Exhibit "C": a marketing presentation of the Registrant's Canadian distributor for 2006-2007, showing publications in which the LAKAI wares are advertised in Canada;
- Exhibit "D": copies of pages from the Registrant's present website, displaying various LAKAI wares showing the Mark on products stated to be of the type offered and/or sold during the relevant period; and

- Exhibit "E": photographs of examples of the LAKAI wares that Mr. Dunlap states were sold by the Registrant in Canada during the relevant period, with the Mark appearing on the goods themselves or on tags or labels affixed to the goods at the point of sale. The exhibit appears to be taken from a catalogue depicting photographs of the wares. The wares appearing in these photographs include what I consider to be the following registered wares: luggage; apparel, namely, shirts, t-shirts, pants, jeans, shorts, trunks, swim trunks, boxers; footwear, namely, shoes; headwear, namely, caps, hats.

[13] While I understand that the evidence in Exhibits "C", "D", and "E" does not demonstrate use within the meaning of s. 4 *per se*, these exhibits are nevertheless helpful as photographic evidence supporting Mr. Dunlap's sworn statements regarding how the Mark was affixed to and displayed on the LAKAI wares [see *Miller Thomson LLP v. Terra Equipment Ltd*. (2007), 64 C.P.R. (4th) 53].

[12] The Requesting Party argues that the evidence submitted by the Registrant is not sufficient to enable the Registrar to infer that there has been use of the Mark in association with *each* of the registered wares during the relevant period. In doing so, the Requesting Party has taken the approach of dissecting the evidence. For example, it argues that the invoice sales inquiry report attached as Exhibit "A" contains neither information as to the nature of the merchandise sold, nor an indication of whether any of such merchandise bore the Mark.

[13] However, in the context of a s. 45 proceeding, it is the evidence as a whole that must be considered; focusing on individual pieces of evidence is not the correct approach [see *Kvas Miller Everitt v. Compute (Bridgend) Limited* (2005), 47 C.P.R. (4th) 209 (T.M.O.B.); *Fraser Milner Casgrain LLP v. Canadian Distribution Channel Inc.* (2009), 78 C.P.R. (4th) 278 (T.M.O.B.)]. Bearing this principle in mind, as previously indicated, the representative invoices filed under Exhibit "B" include invoice numbers that correspond to invoice numbers listed in the invoice sales inquiry report attached as Exhibit "A". Furthermore, Mr. Dunlap has clearly indicated that these invoices relate to sales of LAKAI wares and has provided photographic examples under Exhibit "E" to demonstrate the manner in which the Mark was associated with the LAKAI wares at the time of transfer. This photographic evidence is consistent with Mr.

Dunlap's qualification of what he means by "use" in respect of a trade-mark or "sold in association" with a trade-mark, as discussed above.

[14] With respect to the LAKAI wares, the Requesting Party also argues that none of the invoices filed make mention of sales of "tote bags and luggage; apparel namely shirts, pants, jeans, shorts, trunks, briefs, boxers and underwear; snowboard boots and headwear, namely hats, visors and headbands". It points out that while some of these wares are included in the photographs in Exhibit "E", there is no documentary evidence of sales of these wares. Furthermore, it argues that the specific caps, t-shirts, and the backpack illustrated in Exhibit "E", do not correspond to the caps, t-shirts, and the backpack identified in the invoices.

[15] To begin with, the case law is clear that invoices are not necessary in s. 45 proceedings [see *Lewis Thomson & Sons Ltd. v Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483 at 486 (F.C.T.D.)]; consequently, the Registrant should not be in a worse position for having provided some invoices than none at all. Furthermore, if Mr. Dunlap had stated and sworn that the sample invoices included in Exhibit "B" showed sales of *each* of the LAKAI wares or each of the LAKAI wares as specifically shown in Exhibit "E", then I would have agreed that there was an inconsistency between his sworn statements and the invoices that ought to be interpreted against the interest of the Registrant [see *Plough (Canada) Ltd. v. Aerosol Fillers Inc*. (1979), 45 (2d) 194 at 198 (F.C.T.D.), aff'd (1980), 53 C.P.R. (2d) 62 (F.C.A.)]. However, nowhere in his affidavit did Mr. Dunlap state that the sample invoices included in Exhibit "B" showed sales of each of the LAKAI wares or of those specifically shown in Exhibit "E" [see *Gowling Lafleur Henderson LLP v. Neutrogena Corp*. (2009), 74 C.P.R. (4th) 153 at 157 (T.M.O.B.)].

[16] Turning to the issue concerning the sufficiency of the evidence with respect to *each* registered ware, in reviewing the case law on the matter, Senior Hearing Officer Savard concluded the following in *Sim & McBurney v. Hugo Boss AG* (1996), 67 C.P.R. (3d) 558 at 561-62:

> I therefore conclude from the jurisprudence, that Section 45 does not require a particular kind of evidence. What Section 45 requires, is that sufficient facts be provided to lead to a conclusion of use in respect of each of the wares covered by the registration during the relevant period.

> [p. 562]
> Consequently, although it is not necessary to furnish direct or documentary evidence with respect to each ware and/or service, the evidence must contain assertions of facts from which it can be determined that the trade-mark was in use during the relevant period in association with each item listed in the registration.

[16] In the present case, I consider that the evidence adduced by the Registrant amounts to "representative use" as described in *Mendelson, Rosentzveig & Schacter v. Giorgio Beverly Hills, Inc*. (1994), 56 C.P.R. (3d) 399 at 402-403 (T.M.O.B.). Furthermore, there is considerably more in this case than a bare allegation of use of the sort found unacceptable by the Court of Appeal in *Plough (Canada) Ltd. v. Aerosol Fillers Inc*. (1980), 53 C.P.R. (2d) 62 (F.C.A.). In this vein, Mr. Dunlap has provided:

- a clear statement of use with respect to each of the LAKAI wares;
- a clear statement attesting to how the Mark was associated with the LAKAI wares at their time of transfer, supported by photographic evidence (Exhibit "E") showing how the Mark was applied to a sampling of LAKAI wares;
- a sampling of invoices (Exhibit "B"), representing only a fraction of sales of the LAKAI wares made by the Registrant during the relevant period; and
- sales figures for sales of LAKAI wares made by the Registrant to its distributor during the relevant period.

[18] In the present case, I am satisfied that sufficient facts have been provided to permit me to arrive at a conclusion of use of the Mark in association with "backpacks and luggage; apparel, namely, shirts, t-shirts, pants, jeans, shorts, trunks, swim trunks, boxers; footwear, namely, shoes; headwear, namely, caps, hats". In addition to Mr. Dunlap's sworn statements, representative evidence with respect to each of these wares has been provided in Exhibits "B" and "E". However, there are no facts which would permit me to conclude that during the relevant period, the Mark was also in use in association with the remaining wares, and there is no evidence of special circumstances that would excuse the absence of such use. Thus, I conclude that the Registrant has furnished evidence of use within the meaning of s. 4 of the Act, with respect to some, but not all of the wares listed in the registration.

[19] In view of the above, pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be amended in compliance with the provisions of s. 45 of the Act, to delete the following wares:

- Tote bags.
- Shimmels, knickers, briefs, underwear.
- Boots, sandals.
- Snow board boots.
- Visors, headbands.

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